

19 January 1993



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# **East Europe**

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# East Europe

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**Berisha Interviewed by Macedonian Paper**

93P20074A Skopje FLAKA E VELLAZERIMIT  
in Albanian 30 Dec 92 pp 7-9

[Interview with Albanian President Sali Berisha by Mahi Nesimi, Ramadan Beqiri, and Bujar Skenda in Tirana on 24 December 1992: "Democracy Is Human Dignity"]

[Text] *Albania called him the man of hope. He was one of the first and most vociferous Albanians who dared to exercise the "right to think differently," to express his opinion at the time of the great conflicts between infamy and the new democratic winds of change. A well-known physician and now the president of the country, Sali Berisha is the symbol of postcommunist Albanian democracy. His wife, Liri Berisha, is a pediatrician who works in Tirana. His daughter, Argita, is a first-year student in the Juridical Faculty of Tirana University, and his son, Shkelzeni, is an eighth-grade student. Recently, he accepted, with pleasure, the invitation to give this interview to FLAKA E VELLAZERIMIT, in which he speaks extensively about the concerns of Albania and of Albanians, in general, while presenting his views on possible developments in the country, the Balkans, and beyond.*

[FLAKA E VELLAZERIMIT] Mr. President, the Republic of Albania differs from the People's Socialist Republic of Albania in many ways. In your opinion, what are the main differences?

[Berisha] I think that present-day Albania differs from yesterday's Albania in those characteristics that distinguish a democracy from a dictatorship. Yesterday's Albania was a dictatorship, a model of a communist dictatorship par excellence, while present-day Albania is trying, by all means, to construct a law-governed based on full respect for human rights and freedoms, the market economy, and free initiative.

[FLAKA E VELLAZERIMIT] Our readers are interested in your position before political pluralism.

[Berisha] My position before political pluralism was the position of an intellectual, a physician very much devoted to his profession. As is known, I was a member of the Albanian Workers Party, but I had decided, voluntarily, to leave the party. Before pluralism, I was involved in a number of things, activities, and writings that showed my open opposition to the regime and the dictatorship.

[FLAKA E VELLAZERIMIT] It was rather strange that one of the first people who were courageous enough to speak publicly about the absolute necessity of changes and of the future of the country was an intellectual from your profession. What was the position of intellectuals during the time of Enver [Hoxha] and during the time of Ramiz [Alia]?

[Berisha] I don't think that there was anything strange about my attitude and position because my position was in accord with the position of hundreds and thousands of people who, in all times, have decided to carry out a coup

and my attitude was related to my determination to overthrow an occupier, which I considered communism to be.

[FLAKA E VELLAZERIMIT] They say that after your articles in DRITA and BASHKIMI there were many comments from the top of the one-party pyramid. How true is this?

[Berisha] The truth is that after I made my decision I did not have any kind of anxiety. I only wanted to be undisturbed on the road that I had chosen, and nothing more. There were many comments but they did not bother me and I ignored them.

[FLAKA E VELLAZERIMIT] In the meeting of intellectuals with Ramiz Alia, you were especially concerned about freedom of information and free expression of opinion. Do you think that there is free expression of opinion in Albania today?

[Berisha] I think that freedom of speech and of opinion are completely and totally guaranteed in Albania today. I emphasize that today, in Albania, there is a certain misuse of the freedom to express opinions. Unfortunately, the Albanian press, especially the party press, is filled with the terms and style of the old press, but, I have stressed and still stress that this is a period of transition and of the rescuing of the minds of individuals from toxic vocabulary, that is, from the old vocabulary, which was imposed by the dictatorship.

[FLAKA E VELLAZERIMIT] What are the chances that this will disappear?

[Berisha] I am convinced that this is a transitional period and that many of the journalists who have used these phrases have just now begun to be silent. They have begun to understand that they have acted erroneously and that others will understand and that the Albanian press will, so to speak, fall into a profoundly democratic line. I can tell them something: Freedom and democracy are signs of true freedom of the press. There is freedom of ownership and there is freedom of belief and, above all, there is human dignity. Those who forget the fact that democracy is true human dignity misuse democracy and do not understand it.

[FLAKA E VELLAZERIMIT] You were very upset when Ismail Kadare sought asylum in France.

[Berisha] There was a lot of pressure on me when Ismail left Albania because the very slow reform that had begun was too painful for everybody, myself included.

[FLAKA E VELLAZERIMIT] A few days ago, you issued a decree proclaiming 9 December "Albanian Youth Day." Is this Youth Day or Democracy Day?

[Berisha] The youth suggested that I call it Youth Day but I would call it Democracy Day. I agree with you but I satisfied the request of the proposers.

[FLAKA E VELLAZERIMIT] In the 31 March 1991 elections, you won in the cities but not in the villages. Was it or wasn't it the fault of the Democratic Party?

[Berisha] I think that since it had been in existence only three and one-half months, the Democratic Party was not able to prepare the majority of the Albanian electorate for vote for it.

[FLAKA E VELLAZERIMIT] In the first multiparty parliament, the Democratic Party operated as a constructive opposition. The stability government was formed as a result of this attitude. Was this government necessary?

[Berisha] Personally, despite the criticism addressed to me because of this decision, I believe that this was the right decision because we were able to avoid bloodshed by this means. The impatience of the people and the absoluteness of the oppressors were very great at that time. Clashes which would have been a disaster and not a success for democracy might have occurred. The creation of the stability government and then pulling out of it, perhaps a little late, was an extraordinarily successful step.

[FLAKA E VELLAZERIMIT] However, the economic situation of the people of Albania did not improve. Why?

[Berisha] The creation of this government had two aims: The first aim was stopping the bloodshed; the second aim had to do with the fact that all the doors of Europe were closed to the communist government. We made our move to give it credibility, but instead of proceeding with reform, it proceeded with corruption.

[FLAKA E VELLAZERIMIT] It was declared from the podium of the first assembly of the Democratic Party that the most suitable moment had to be found to hold new elections. Do you think that 22 March was the appropriate moment?

[Berisha] History has proven that it was most appropriate.

[FLAKA E VELLAZERIMIT] That infamous night of the meeting of the government has remained indelible in the memory of the people of Albania. What happened on that night which some called "an historic night" or "a bloody night" and what about the threats that "there is only enough bread for six days"?

[Berisha] It was a trap, planned, I think, in this office (the office of the president of Albania—editor's note) in order to make me responsible for the crisis, in the eyes of all the Albanians. I think that all the people, especially the television viewers, saw that this was a meeting of the type of the Albanian Workers Party grassroots organization where there was an effort to present the Democratic Party as a destabilizing force. I tried to convince the television viewers of the correctness of the decision of the Democratic Party to determine the real responsibility for the drama which Albania was experiencing. I did not know, because they did not tell me, and therefore

it was a trap. They said to me: "Come and we will discuss and resolve the problem." So I went and ran into the camera. When I saw the cameras, I stopped for a minute and then I said: "Good, these will work for me as well as for them." That's what I said (he says with a smile).

[FLAKA E VELLAZERIMIT] On 23 March, Albania voted for democracy. What is the situation today?

[Berisha] Albania and all the other East European countries are democratic societies and postdictatorial societies, at the same time.

[FLAKA E VELLAZERIMIT] Albania is currently a member of almost all the international economic institutions. How has this membership improved its economic position?

[Berisha] Membership in international organizations, the democratic countries in Europe, and the United States have all helped Albania very much. There is no doubt about the fact that there has been a change in the economic situation during the past months in the area of the improvement of life, especially in the countryside where most of the people live. Production has increased by 20 percent. However, if we include some imports, we can conclude that, for the first time, Albania has begun to be judged on the basis of the same criteria as the developed European states. For example, about 18,000-20,000 taxicabs have been brought into Albania during 1992—which was impossible before. The value of the imported electrical appliances in the country was more than \$100 million. Therefore, Albania has gradual economic growth but it has difficulties in this area because the location of Albania in a high danger zone discourages foreign investors.

[FLAKA E VELLAZERIMIT] Present-day Albanian diplomacy has attracted the attention of many people because of its dynamism. What are some of the successes in the international sphere?

[Berisha] Albanian diplomacy and policy aim at superceding the deep-rooted results of the isolation, the integration of Albania in world processes, the guaranteeing of the development of democracy in Albania and the resolution of the ethnic Albanian issue in accordance with international principles and documents. Albanian diplomacy is very active and will be active in the process of conflict prevention and peaceful resolution of conflicts in the Balkans. I believe that it is the duty of Albanian diplomacy to prevent war, in coordination with the policy of democratic circles in the Balkan countries.

[FLAKA E VELLAZERIMIT] What about the rumor that the participation and membership of Albania in the Islamic Conference will make Europe jealous and perhaps someday Europe will abandon Albania?

[Berisha] This is an idea that is based on intolerance. First, because Europe does not have any isolationist ideas. Second, because Albania's membership in the

Islamic Conference has its source in the actual situation in Albania. A policy must take reality into account. Those who do not take reality into account become philosophers or political adventurers and not accurate policy makers. Third, because I believe that each step that accelerates Albania's economic development brings Albania closer to Europe and never moves it further away from Europe. If you look at Albania today, it differs from Europe in its economic level, but, in regard to the level of its culture and civilization, it is a thousand-year-old civilization, one of the cradles of European civilization. Therefore, it is unimaginable to believe that the rapid economic development of Albania would break its links with Europe. On the contrary, it will strengthen them. I consider this a very important step.

[FLAKA E VELLAZERIMIT] You have visited many countries and institutions which form the nucleus of world democracy. How have you been able to integrate the country into these milieus?

[Berisha] Everywhere I went I tried to present another image of Albania. The real picture, and of the Albanian political forces which have emerged from a dark and difficult night and which are now trying to integrate Albania and to build an Albania based on those universal values and principles on which democratic societies in developed countries are based.

[FLAKA E VELLAZERIMIT] Are your recent visit to Brussels and your meeting with [NATO secretary general] Manfred Woerner indications of a new role for Albania in the Balkans?

[Berisha] They are not indications of a new role but they are signs of a stabilizing role. Albania must play and will play a stabilizing role. In our view, all the international organizations which are set up on the bases and values to which we are adapting ourselves today must be prepared for and open to these values.

[FLAKA E VELLAZERIMIT] Today all Albanians are looking towards Albania. How is Albania able to satisfy their aspirations?

[Berisha] I think that, today, we have been looking and should be looking toward democracy. It is extraordinarily important that we, where we live and work, struggle for a democratic society. It is very important, at the same time, that Albanians look for security, in the sense that they can contribute to accelerating its development. It is also important that Albania adopt legislation which will truly transform Albania into a temple for all Albanians.

[FLAKA E VELLAZERIMIT] You defend the cause of Kosovo with determination, devotion, and tirelessness, which has not been the case in the past 50 years. Where do you find the inspiration for this?

[Berisha] I have no difficulty in finding inspiration for this because the ethnic issue is, certainly, a basic issue.

But, naturally, I must express deep gratitude to the political forces in Kosovo, which, with wisdom, tolerance, and patience, remain steadfast in their demands, without falling victim to provocations. It is to their credit that they established a dialogue with all the residents there because it is essential that a climate of trust be created among the residents of Kosovo. This is to the credit of the majority because where Albanians are in the majority they should not intimidate the minority.

[FLAKA E VELLAZERIMIT] The situation in the Balkans is very tense. This is a result, first of all, of the current situations in Bosnia and Kosovo.

[Berisha] It is true that the situation is very tense, but, on the other hand, it would be a disaster for all democratic forces if they are not able to localize the conflict and if they fall victim to Milosevic's policy.

[FLAKA E VELLAZERIMIT] You support the position of Ibrahim Rugova on an independent and neutral Kosovo.

[Berisha] At the present time, I think that the key issue for Rugova, for Gligorov, for me, and for everybody, is, first of all, to prevent a conflict in Kosovo. This is more important and, after that, I am always in favor of concrete steps. The issue of the status of Kosovo must be resolved in a manner which is acceptable to all forces.

[FLAKA E VELLAZERIMIT] However, there are other opinions in the ranks of the Albanian political forces.

[Berisha] This is completely normal but these opinions must be based on reality.

[FLAKA E VELLAZERIMIT] At a press conference, you said: "I hope that Milosevic does not win." Unfortunately or fortunately, he won.

[Berisha] Milosevic's victory has not been fortunate for the Serbian people and for the whole region. I am sure that these results do not express the true opinion and desire of the Serbs and of the democratic forces of Serbia. The elections were carried out in an atmosphere of fear and terror, under the psychosis of war which Milosevic fostered. This victory is not deserved.

[FLAKA E VELLAZERIMIT] The possible opening of the "southern front" would disturb the entire Balkans. What would Albania's role be in this event?

[Berisha] If a "southern front" is opened, the role of Albania would be viewed in the framework of the role of the international community. If Milosevic opens the "southern front," I am sure that this will receive a response not only from Albania but also from the international community.

[FLAKA E VELLAZERIMIT] Albania has good relations with the Republic of Macedonia, so why hasn't it been accepted? What are the reasons for this attitude?

[Berisha] First, let us start with the statement that Albania is trying to have a policy of friendship and collaboration with all its neighbors. Second, in Macedonia, there is a very large Albanian population, which is a very important factor for good relations and cooperation with Macedonia. Third, we believe that the independence of Macedonia is important in avoiding a Balkan conflict.

[FLAKA E VELLAZERIMIT] Several times, you have praised the constructive role of the Albanian political parties in Macedonia.

[Berisha] I think that this constructive role is worthy of praise because it is healthy. I have followed with interest the attitudes of political forces, deputies, and ministers participating in the government, and this attitude is completely in accord with the interests of the Albanian people in Macedonia.

[FLAKA E VELLAZERIMIT] However, the Albanians in Macedonia have not yet been given what is due to them.

[Berisha] The government and the authorities in Macedonia have taken some steps in the direction of the improvement of the rights of the Albanians. We should mention that they agreed to a general registration of the population. You know very well that the previous governments concealed statistics. Therefore, this shows a desire and a readiness for openness. The Albanians must be patient because, if they seek to obtain from a government that is not yet recognized, all their desires which have been accumulating over half a century will be impossible to realize. Albanians must be realistic in their attitude. Failure to register for the army and the police is a self-defeating and absurd policy. No progress is made with old prejudices or with hostility.

[FLAKA E VELLAZERIMIT] You have promised to open a university for Albanians in Macedonia, in Skopje.

[Berisha] Yes, and I think this is very necessary. I have insisted and I will continue to insist that this project be gradually carried out. However, in this area, I must make some comments about the attitude of Albanians toward education and, especially, the education of women. Why don't the girls go to school? To whose advantage is it? Does it help integration into social processes and the ethnic issue? Absolutely not. In this area, you newsmen have the duty to criticize these things and make your own contribution.

[FLAKA E VELLAZERIMIT] You met Gligorov for the first time in Tirana and for the second time in Pogradec and Ohrid. Where will the third meeting be?

[Berisha] We will meet again.

[FLAKA E VELLAZERIMIT] And now, Mr. President, let us change the subject of our talk so that our readers can learn more about you.

[Berisha] I am ready to satisfy your desire.

[FLAKA E VELLAZERIMIT] How does Dr. Berisha feel inside President Sali Berisha?

[Berisha] I do not know what to tell you. The doctor has retired and I am continuing a job that has nothing to do with medicine.

[FLAKA E VELLAZERIMIT] You continue to live in your old house, like every citizen, without an office. Do you devote your free time to your family or does official business follow you when you are with your family?

[Berisha] Actually, I do not have any free time.

[FLAKA E VELLAZERIMIT] Have your family friends increased or decreased?

[Berisha] On the whole, they have increased, and the ones I had before have remained, by request.

[FLAKA E VELLAZERIMIT] Mr. President, would you like to tell us what your salary is?

[Berisha] My salary is 100,000 old leks, which is equivalent to 10,000 new leks. (The official rate of exchange at the time of the conversation was 93 leks to a dollar, and the black-market rate was 100 leks to a dollar—editor's note.)

[FLAKA E VELLAZERIMIT] Where will you spend New Year's Eve?

[Berisha] I haven't decided yet where I will spend it. I think I will be at home, with my family, but I do not know. I haven't decided yet.

[FLAKA E VELLAZERIMIT] Have you been disillusioned with anyone whom you considered to be an ally in December 1990 and later?

[Berisha] I consider people to be free in their choices, so I am not greatly disillusioned if they make different choices.

[FLAKA E VELLAZERIMIT] Are you bitter if some of your colleagues fall into the clutches of self-interest, corruption, and so forth?

[Berisha] Sometimes, the absurdity of their attitude amazes me. Nevertheless, in light of the fact that one of the four main passions of human beings is power, I consider them to be blinded by self-interest.

[FLAKA E VELLAZERIMIT] Mr. President, recently, Albania was confronted with a number of strikes. What are the causes of such an atmosphere?

[Berisha] I can state that Albania has indisputable political stability and that the causes of this strike in Bulqize, unfortunately, are economic. There is no doubt that there is poverty but, unfortunately, there is also manipulation. Yesterday, 23 December, I told the trade union members at a meeting that I could support their legitimate demands but it is not realistic to demand that Albanian miners be paid two-thirds of the wages of

European miners. This will happen when Albania comes close to Europe in development.

[FLAKA E VELLAZERIMIT] They say that we Albanians are "five sheep and rams with six bells."

[Berisha] I do not believe this. I support the idea that there must be order in all nations. Albanians are among the nations with the most solidarity. There is very high solidarity.

[FLAKA E VELLAZERIMIT] We have a saying: two Albanians—three parties.

[Berisha] No, I do not understand it this way, because if we look at the Balkans, other nationalities have three or four times as many political parties as we do.

[FLAKA E VELLAZERIMIT] The possibility of a parliamentary crisis and of compulsory new elections is being talked about.

[Berisha] This is only an illusion in the minds of some self-seeking groups because they cannot bring it about in an absolute manner. Anyone who wants to leave can leave the parliament tomorrow, but, in the 22 March elections, the Albanian people gave a great majority to the Democratic Party, which permits the party to complete its four-year term, with honor. They are simply groups or elements blinded by self-interest who think that they can create a parliamentary crisis by their departure. They do not understand that they are only condemning themselves by their departure and that it does not matter to Albania.

[FLAKA E VELLAZERIMIT] What will a parliamentary crisis mean for Albania and for the all-Albanian nationality issue?

[Berisha] I think that Albania is in no danger of a parliamentary crisis. If self-seeking groups intend to leave the parliament, they really will not prevent it from functioning. The parliament will suffer a crisis only if it loses one-half of its members.

[FLAKA E VELLAZERIMIT] In our opinion, there is the idea that there have been unnecessary dismissals of cadres since the Democratic Party came into power.

[Berisha] I can say only one thing: a political force that comes into power without dossiers, without creating personnel files—in a noncontroversial manner, of course—makes a mistake. However, if you take into consideration the fact that all political forces which come into power renovate the entire political administrative apparatus, from the directors up, then I think that the Democratic Party has not acted improperly in this area. It is true that there are people who say that mistakes have

been made and that might be true in some cases. But there are others who say that many unsuitable people have remained in their jobs.

[FLAKA E VELLAZERIMIT] At present, there are more than 250,000 workers on social assistance in Albania. Do you think that this number will be reduced when the investments begin to take effect?

[Berisha] Of course this number will be reduced. This number is not correct. The figure is a little lower. There are not so many on assistance.

[FLAKA E VELLAZERIMIT] Mr. President, Albanians outside Albania and in the diaspora are interested in helping Albania. You have made it possible for them to be given Albanian citizenship, that is, dual citizenship. How will this help both parties involved?

[Berisha] I believe that this is an act that puts Albanians on an equal basis in relation to Albania. I would like to stress that this act is aimed more at Albanians in the diaspora than it is at Albanians residing in their own lands. Because the latter are living in their own lands. This is the way the law should be interpreted. Not that the latter category of Albanians cannot have Albanian citizenship but this act is aimed at those who do not have their own lands. The aim is not to place obligations upon them but to make them equal, here, with the others.

[FLAKA E VELLAZERIMIT] Albanians across the border still pay visa fees to Albanian customs when they come into the country. Is this normal and how long will it continue?

[Berisha] It is an absurdity. It is an absurd attitude of Albanian customs which will be corrected soon.

[FLAKA E VELLAZERIMIT] Would you say something about the future of Albanians and of Albania at the end of the century?

[Berisha] I see the future of Albania and of Albanians with much optimism. For the first time, Albanians have a democratic state that is being consolidated. Today, Albanians who live in Kosovo must know that Kosovo has become an international issue. Now, it is an issue affecting not only Albanians but all of Europe, all the European mechanisms, and beyond. I think that the efforts of all Albanians to achieve a free and democratic society have not been in vain and will not be in vain.

[FLAKA E VELLAZERIMIT] What is your New Year's message for Albanians?

[Berisha] My New Year's message for Albanians is my wish for a happy new year, a rich year, a year in freedom, a year with democracy. Best wishes to all.



**Burgas Oblast Governor on Privatization**

93BA0366A Sofia *BULGARSKI BIZNES* in Bulgarian  
23 Nov 92 pp 1-2

[Interview of Burgas Oblast Governor Stefan Konstantinov by Romyana Emanuilidu; place and date not given: "Privatization Is Now the Overall Task"]

[Text] [Emanuilidu] How will privatization be carried out in Burgas Oblast? What enterprises will be the first to be privatized, and how will this come about?

[Konstantinov] Privatization is a centrally controlled measure uniform throughout the country, and it is to be carried out by the procedure and methods provided in the pertinent laws and regulations applying to this reform.

In May of 1992 the Privatization Agency drew up a tentative list of facilities that are to be privatized. The list included the Neftokhim Corporation, Bules Burgas, the Tundzha metalcutting machine plant in Sliven, the Kristal-Svoboda Corporation in Kameno, and other firms of importance in the regional economy.

However, this option was subsequently abandoned and the list updated. The tentative list prepared by the Privatization Agency and naming firms and enterprises proposed for privatization is also new as regards Burgas Oblast. It contains only four enterprises from the old list to be privatized: the Rodona Corporation in Sliven; the Boyanovo Village Footwear Production Association, Yambolsko; the Laktes Corporation in Karnobat; and the malt factory under construction near Yambol.

The first stage of privatization will also involve the Ketchun-frukt Corporation in Aytos, the Dzhangopolis Beer Corporation in Yambol, the reinforced concrete structures plant in Lozovo, and others.

The modification of the privatization list was obviously made necessary by the need to first attract investments in those enterprises to be privatized, so that they can be made more attractive and then offered for sale.

Privatization is a fundamental element of the market economy. I even think that it is long overdue. Possibly the economic reform should have started with it, because 95 percent of production facilities are still owned by the government, and it is out of place to speak of a developed market economy in the light of this situation. But in any event this delay has its justification and its benefit. Over this entire period in which privatization has not been initiated, parliament and the government have been preparing a circumstantial, detailed, and very specific body of laws and regulations for accomplishment of this general task during the change in the system.

[Emanuilidu] The privatization list does not include some firms important to the regional economy. What is to become of Okeanski ribolov [Deepsea Fishing], for

example? Will an attempt be made to derive some benefit from the millions of foreign exchange leva it has drained?

[Konstantinov] The economic and financial situation of Okeanski ribolov is indeed a difficult one. Its liabilities as of 31 July 1992 totaled 176.544 million leva, with short-term bank loans making up 17.376 million leva of this amount. The Ministry of Industry was informed of Okeanski ribolov's problems a long time ago, and the ministry as well as the company management bear responsibility for this situation.

Commercial fishing is a traditional economic activity in the region, and it seems to me that it would be almost absurd to discontinue the operations of this firm.

As for the fact that millions of foreign exchange lei have been illegally extracted, the authority competent to make a statement in the matter is the public attorney's office, to which data on perpetration of unlawful acts, buttressed by documentation, are to be submitted.

[Emanuilidu] What will become of the Instrument Plant? Is it to be liquidated? There are currently private firms working in it, and these firms in effect are maintaining administration of the plant. Will they be given priority in privatization?

[Konstantinov] I think that there are currently no priorities for liquidation of the Instrument Plant. The plant truly does have large debts, around 15 million leva, owed to several creditor banks. According to an old assessment the fixed assets of the plant are 13 million leva, and this may induce some to think that this firm might be liquidated. But according to the updated assessment now being made, these fixed assets are expected to amount to 80 to 100 million leva, and for this reason one can hardly expect the plant to be liquidated.

Urgent measures are being taken to revive production, primarily by concluding contracts, and work is also being done on the basis of barter. Foreign activities are being developed, and they may stimulate production. About a month ago, before the new manager of the firm started work, the plant had earnings of 300,000 to 350,000 leva and wage costs of 450,000 leva. Hence it is necessary to lay off personnel, and administrative personnel above all. Contracts are being signed, and work is also in progress to improve the instruments.

As for the private firms alleged to be supporting the administration, according to Decree No. 169, rent paid for use of these fixed assets in the form of buildings goes directly to the government budget as revenue. Consequently, it is not to be assumed that the administration will be supported by the rent in question.

[Emanuilidu] Why, as you say, does the future privatization list not include the Promet Metallurgical Kombinat in Debelt? What operations are currently being carried out in it, and do they justify the funds invested in its construction? Could the housing resources

there not be used more efficiently, by establishing a home for the socially disadvantaged or a home for senior citizens?

[Konstantinov] I am unable to say specifically what induced the Privatization Agency to leave the Promet State Plant off the privatization list for 1992. This firm will probably be included in the privatization list for 1993-95. This is a matter to be resolved by the agency itself. The Promet is, of course, currently in operation, and everything possible is being done to continue operation. Although the extent of capacity utilization is far from adequate, there are not enough orders.

I could not give you a specific justification for the operations and activities currently in progress at the Promet, but it is a fact that the firm is not working at full capacity and is not turning a profit.

One of the ways of overcoming this situation and stimulating production is the forthcoming conversion to a corporation. Prerequisites are thereby created for inclusion of stockholders having an interest in the area of metallurgy, including foreign stockholders.

As for the question of using unoccupied housing built by Promet as future homes for the socially disadvantaged, this is an interesting and feasible option. I recently received such a proposal from all the trade unions active on the premises of Promet. I have submitted the matter for study and analysis to the regional coordinator under the Ministry of Labor and Social Welfare. The coordinator will assemble the necessary information and together with a commission will inspect the site, and so we will soon have a project available for possible efficient settlement of this question.

[Emanuilidu] Let us go on to another important factor in changing the system, the agrarian reform. Does it not seem to you, Mr. Konstantinov, that the land reform is taking too long and that this will have an effect on production next year? If such is the case, what in your opinion are the reasons?

[Konstantinov] The agrarian reform is the next basic element in bringing about total change in the economic and social system of the country. In my opinion there should be no categorical declaration of delay, in that delay implies execution of a single act. It is a big mistake to regard the agrarian reform as a single act. What is involved rather is a complex process that includes economic, legal, administrative, social, and other measures.

You will agree that the liquidation councils have been in existence only a few months. The agrarian reform is moving ahead, with less difficulty in some directions and with greater difficulty in others, but generally speaking the agrarian reform is proceeding at a relatively satisfactory pace.

[Emanuilidu] All the same, what are the difficulties impeding reform?

[Konstantinov] There are, of course, a number of difficulties holding up the agrarian reform. First of all, there is the objective lack of experience in carrying out this specific activity. Second, there are the specific features themselves of the activities in which the liquidation councils engage. On the one hand the liquidation councils perform the functions of a liquidator, but on the other they also have administrative functions.

Consequently, we observe a tendency on the part of the liquidation councils to grow accustomed to the administrative functions at the expense of the liquidation ones. What can be done? The psychology of collectivism is indeed difficult to overcome.

We will somehow or other cope with a slightly smaller 1993 harvest and a slightly smaller cultivated area at the expense of accomplishing another task, so that in 1993 we will be able to say that the TKZS's [labor cooperative farms] and the Section 12 organizations have been liquidated. I would say that this will be the best harvest for 1993.

[Emanuilidu] What is the role of the commune land commissions now in carrying out agrarian reform?

[Konstantinov] Agrarian reform has to some extent been impeded also by the ineffective action of the commune land commissions. This ineffectiveness is hampering the liquidator functions of the liquidation councils. For example, the majority of the liquidation councils have specified shares for cooperative members as calculated on the basis of the contribution made by these members in the form of labor. The distribution of property allocations is being held up, however, by the absence of a land distribution plan and the corresponding decisions to be made by the commune land commissions.

This is why Burgas Oblast was one of the first to take the initiative in making personnel changes in the commune land commissions. An analysis and a comprehensive evaluation of the activities of the land commissions were made separately on the basis of rating criteria prepared by specialists in the regional administration. A proposal for personnel changes in 17 of the total of 21 commune land commissions was drafted and, accompanied by supporting documents, was forwarded to the Ministry of Agriculture. Orders to make the changes are expected at any moment.

A factor that to some extent is preventing prompt and energetic execution of the agrarian reform is dynamic action by the former economic *nomenklatura* of the village mayors' offices against application of the law on ownership and use of agricultural land. People are again arguing for collectivization options. In some places there are even attempts to register collectives exclusively on the basis of Record Form No. 5 issued by the land commission. Of course, the regional courts will not allow this, inasmuch as Form No. 5 does not qualify the person involved as an owner of land. In this situation, participation by this person in a cooperative with the land

indicated in the record is not permissible. Consequently, persons who launch such initiatives should realize that they are doomed to failure.

There will otherwise definitely be a place for collectivization, because there are different perspectives for owners after land has been returned.

It must be realized, however, that the preferences to be granted by the government in the development of agricultural activities will be oriented primarily toward individual farmers rather than cooperatives.

[Emanuilidu] But land still has not been distributed. And now there are difficulties due to inadequate financing of necessary and particularly important agricultural measures, such as gathering of the harvest and purchase of produce, plowing and cultivation of the soil, planting, and so forth.

[Konstantinov] The Council of Ministers issued Decree No. 39 recommending that commercial banks grant credit primarily for such measures by TKZS's undergoing liquidation. This decree was of the nature of a recommendation and apparently was unable to induce banks to apply it.

About a month ago the Council of Ministers issued a new resolution, No. 277, aimed at banks of which more than 50 percent is owned by the government. It again assigned the obligation of granting credit primarily to the liquidation councils. Unlike the decree, the resolution is mandatory, but for one reason or another has not been complied with to the necessary extent, and banks are refusing to extend such credit either because they have a low credit limit or because they cannot secure enough collateral for credit extended. But about a month ago the government began providing government guarantees for loans that these banks had made to cooperatives.

Consequently, the liquidation councils must be more energetic in finding banks, by preparing their supporting documents for their loans more professionally and in greater detail, and they must themselves find ways and means of securing the necessary credit.

Let us also hope that the banks will be more responsive and that their credit resources will be better stabilized so as to enable them to meet this credit demand.

[Emanuilidu] When will the process of land distribution for Burgas Oblast be completed?

[Konstantinov] It would be difficult for me to give you a specific date, because a process and not a single act is involved. Nevertheless, I believe that about one-third of

the land will be returned by the end of the year, and full restoration of land in Burgas Oblast is to be expected by the end of 1993.

[Emanuilidu] To what activity or facility in the future economic development of the Burgas region have you assigned the highest importance?

[Konstantinov] I can answer this question only in the form of a very general prediction. Priority will be given in the development of tourism, a typical sector occupying a very prominent place in the economic structure and distribution of the oblast.

Priority will of course be given to agricultural activities and agricultural production, because the region is an area of concentration of a large amount of high-quality cultivable land and mountain areas that stimulate natural development of livestock raising. The food and tobacco industry and light industry associated with these activities will also enjoy priority status. We hope for greater initiative there by individual livestock breeders.

Commerce and transportation will inevitably be given priority in their development, because Burgas Oblast occupies a very important geostrategic position in this respect because of its harbor and its airport, which as we know is located in the duty-free zone. We hope that the harbor will also be granted this status in the near future.

And, of course, there is petroleum processing. I must point out that the largest oil refinery is located in Burgas. The tendency naturally is to lower the high-priority and artificially maintained development of heavy industry sectors at the expense of the natural economic, social, and geographic factors.

The extent of privatization, the extent of restoration of land, and the creation of privileged conditions for development of private business initiatives will be of great importance in priority development of these sectors, and also in the overall picture and structure of the regional economy. A great deal depends on them.

[Emanuilidu] Lastly, like the Roman orator who ended his speeches with the phrase "*Carthago delenda est*," Carthage must be destroyed, how would you sum up everything you want to say to readers?

[Konstantinov] Regardless of what has been discussed, either taxes imposed for public lavatories or fragrances from the Arab world, Cato the Elder invariably ended his speeches by saying "in the light of what I have said, Carthage must be destroyed."

I dare not compare myself to such great orators as Cato, but I would like to say, "Above all else the reform must be carried out."

### Prospects for Construction Projects With Russia

93BA0388A Sofia DELOVI SVYAT in Bulgarian  
11 Dec 92 p 3

[Interview with Bogomil Nikolov, Stroyindustriya-Inzhenering-Sofia general director, by Ivan Badzhev; place and date not given: "Prospects for Joint Bulgarian-Russian Construction and the Construction Industry"]

[Text] [Badzhev] Mr. Nikolov, what are the basic specialties in the operations of your company?

[Nikolov] Our basic activities are primarily engineering and marketing in the area of the construction industry, models and methods for privatization, construction, and exhibits and public relations activities. One important specialty is represented by our commercial operations in Bulgaria and abroad involving imports and exports of technologies and production lines. Our activities create new potential for joint Bulgarian-Russian operations in construction and the construction industry.

[Badzhev] You are very familiar with the construction market in the former Soviet Union as director of joint construction projects there. What is the source of your current optimism?

[Nikolov] My last meetings in Russia induce me to think in really optimistic terms about resuming cooperation in construction between Bulgaria and Russia, especially now that construction is experiencing a crisis in Bulgaria, when there is a shortage of investment and the Bulgarian construction materials industry is operating at reduced capacity. It is true that there are some Bulgarian firms engaged in building facilities, under an agreement, on the gas pipeline from Yamburg to the Western border of the former Soviet Union, but the scale of their operations is several times smaller than that of construction at its peak several years ago. What is especially striking is that over the last few years there have been virtually no contracts and specific mutually agreed-upon new activities. Consequently, the two agreements recently signed by Stroyindustriya-inzhenering and the two largest construction associations in Russia are of essential importance in resumption of joint operations by Bulgaria and Russia. They are skeleton agreements characterizing important targets and the basic forms of joint operation, specifically the Rosural-sibstroy and Rosneftegazstroy (RUSS and RNGS) in construction and the construction industry. The agreements stipulate that the parties, considering the many years of experience in joint productive operation in construction of major industrial complexes and other facilities in the territory of Russia, will subsequently resume their cooperation under the new economic conditions. A program has been outlined with specific targets for joint operation.

[Badzhev] What inferences do you draw from these meetings?

[Nikolov] Above all I was greatly impressed by the fact that such a joint operation in the area of construction and the construction industry is possible, necessary, and

desired by both parties. When I was working in the USSR, there were around 25,000 Bulgarian workers employed there. There are, of course, obstacles during this period of crisis, the most serious one being the question of payments. Barter transactions for the construction of facilities are not the most convenient form of settlement. The potential nevertheless exists. There are three main ways of carrying out joint operations.

The first is for Bulgaria to participate as prime contractor or subcontractor for facilities the construction of which is paid for in hard currency or can be settled with goods that can be sold for foreign exchange.

The second method is exchange of construction materials, structures, and construction equipment for Bulgarian goods such as food items, cigarettes, alcoholic beverages, clothing, and the like.

The third is establishment of joint ventures for production of construction articles, parts, and structures, so that the capacities of this industry will not be overloaded either in Bulgaria or in Russia. With efforts combined it would be possible to obtain a product range and quantity not only satisfying demand in both Bulgarian and the Russian construction but also providing surpluses for export to other countries. The Bulgarian construction trusts currently in operation are currently undergoing conversion to joint Russian-Bulgarian enterprises of regional importance (for example, in Orenburg, Tyumen, Samara, Serpukhov, and so forth).

[Badzhev] What is your company's role?

[Nikolov] One of our basic operations is finding ways of reviving the Bulgarian construction industry. In this context we are organizers and coordinators. In the agreements we have signed we have suggested the mode of joint operation. Working groups are constantly being formed in Bulgaria and in Russia. The organizational form of the new efforts in joint operations is currently under discussion. What is required is freedom of action of the participants based on mutual interests and with their legal independence and their economic responsibility preserved. The active participants in the meetings have been the directors of the companies Promishleno stroitelstvo [Industrial Construction], Montazhi [Assembly Operations], Kof-razhna tekhnika [Concrete Form Technology], and Glavbolgarstroy. A consortium will probably be formed in the future. It is my personal opinion that we should not start a construction market in Russia, for many reasons. Above all, this market is owned by our builders. We are in demand in the largest Russian cities and are sought after by the largest Russian construction organizations. Proposals are already being made for resumption of the form of participation represented by labor that was applied for more than 20 years. Participation by privately owned construction companies would be a new element.

We believe that the step that has been taken at the current difficult moment is the proper one and is a promising one.

**Reports Related to Ukraine's Hungarian Minority****Impact of Language Law**

93CH0276A Budapest MAGYAR HIRLAP  
in Hungarian 30 Dec 92 p 1

[Unattributed article including interview with Janos Perduk, office manager of the Cultural Federation of Subcarpathian Hungarians; place and date not given: "Can the Decree Implementing the Language Law in Transcarpathian Ukraine Be Amended?"]

[Text] "The decree that Mikhail Krailo, the Ukrainian president's commissioner in Subcarpathia [Transcarpathian Ukraine], signed recently to implement the Language Law has not entered the stage of practical realization for the time being," Janos Perduk, office manager of the Cultural Federation of Subcarpathian Hungarians (KMKSZ), told our reporter. Among its other provisions the decree states that, in any settlement where an ethnic minority constitutes the bulk of the local population, street names as well as the names of the various state agencies, voluntary public associations, and enterprises must be displayed also in the given minority language, in addition to Ukrainian; that [there] the minority language is also an official language; and that the ethnic minority may freely display its own emblems. As the KMKSZ official explained, the organization that represents the ethnic Hungarians living in Ukraine feels that the otherwise interesting and favorable decree has one serious flaw: Namely, it applies only to settlements where ethnic minorities account for the bulk of the local population. Thus it applies only to the ethnic Hungarians living in Beregszasz [Berehovo], because in most of the large cities (in Ungvar [Uzhhorod] and Munkacs [Mukachevo], for instance) Hungarians do not constitute majorities.

"I am curious to see what will be decided in settlements where there are, say, 299 ethnic Hungarians and 300 residents belonging to other ethnic groups," argues Janos Perduk "For us it would be much better, and the decree would become really acceptable, if it were to specify 'a significant ethnic-minority population' rather than a majority of the local population," he added. According to his information, the text of the decree will soon be amended in that sense.

Before the decree's adoption, the president's commissioner did not consult with representatives of the KMKSZ. Although the topic was placed on the agenda of the regional [oblast] council that does have a Hungarian caucus, it is too small to be able to influence by itself the council's deliberations. At the same time, the caucus maintains regular contact with Mikhail Krailo. The politician is accessible to the Hungarian minority, Janos Perduk said.

Emphasizing that he was expressing his own impressions, Perduk said that he did not notice any significant change in the lives of Ukraine's ethnic Hungarians following the country's independence. Admittedly, the

problems are afflicting not just the ethnic minorities. After all, the uncertainty, the continuous government crisis and the difficult economic situation are posing problems for everyone. Citing an example, he said that while the price of meat was already 1,100 coupons per kilogram, there are retirees in the villages who are getting pensions of merely 400 to 450 coupons a month. Anyhow, he declared, the fact that there is and has been peace and quiet in Subcarpathia, without any communal clashes, provides ground for hope.

**Help From Hungary**

93CH0276B Budapest MAGYAR HIRLAP  
in Hungarian 17 Dec 92 p 9

[Text of a letter by Emil Landovski, chairman of the Uzhhorod Municipal Council: "We Were in Trouble, and They Came to Our Aid"]

[Text] On 17 November, the Ung [Uzh] River unexpectedly overflowed its banks and flooded the right-bank section of our city. Fourteen residential buildings collapsed, 24 became uninhabitable, and more than 150 were damaged. Our losses amount to several billion rubles.

The mayor's office of our sister city, Nyiregyhaza, was the first to aid the distressed. A shipment of food and medicine arrived within two hours after our appeal for help. Along with the shipment, firemen from Zahony likewise arrived. Firemen were quickly dispatched also from Nyiregyhaza after our radio appeal. For 20 hours they kept pumping water from the cellars of flooded buildings.

We take this opportunity to thank them for their selfless help. It has been demonstrated once again that we can rely on our neighbors not just for better, but for worse as well.

**Changing Ethnic Balance**

93CH0276C Bratislava SZABAD UJSAG in Hungarian  
18 Nov 92 p 3

[Unattributed article: "Ethnic Balance in Danger; Concern in Transcarpathian Ukraine"]

[Text] Ukraine is seeking the road leading to the community of European nations, rather than enemies or confrontation. Maintenance of its armed forces is an increasing burden on an economy already in a difficult situation. The only logical solution would be sensible cuts in the strength of the excessively large armed forces.

Military units are stationed at present in practically every city, and whole city districts have been built to accommodate them. That is the situation in Beregszasz [Berehovo] as well, and there are now plans to build more housing there for the army. In conjunction with those plans, the Cultural Federation of Subcarpathian Hungarians [KMKSZ] Presidium has published an open

letter to Ukrainian President Leonid Kravchuk, in which it voices its twofold concern.

First, the KMKSZ Presidium is concerned because not a word is being said about a possible reduction in the troop strength in the city; the proposed 250 housing units for officers are to be built within two or three years. Second, the KMKSZ Presidium is concerned about the ethnic balance in Beregszasz. It fears an intensification of political tensions that accompanies every immigration. To change through immigration the ethnic balance in the only city of Subcarpathia [Transcarpathian Ukraine] where ethnic Hungarians constitute a majority—argues the open letter of the KMKSZ Presidium, published in KARPATI IGAZ SZO—is contrary to the principles of minority policy that the Ukrainian state has incorporated in its Minority Law and several international documents. All this could lead to an intensification of communal differences.

It is to be feared that the difficult economic situation, the large number of unemployed persons, the overpopulation caused by immigration, failure to solve the ownership of land, the rapid enrichment of a narrow stratum through unauthorized privatization, the general pauperization of the masses, as well as the government's inability to cope with these problems, will produce a level of tension that will soon exceed the manageable limit—worries the KMKSZ Presidium.

In Subcarpathia, every person with a sense of responsibility is aware that every tension-generating action—and the immigration of military personnel unquestionably qualifies as such—is a step closer to a communal explosion. Therefore the KMKSZ Presidium requests the Ukrainian president to provide information about the strength of the troops now stationed in the region, what increases are being planned in their strength, and on the basis of what concept of military policy does the government intend to regulate the size and composition of the troops stationed there.

**Extensive Microbiological Damage to Danube Seen**  
*93CH0233B Budapest KOZTARSASAG in Hungarian*  
*11 Dec 92 pp 70-71*

[Unattributed article including interview with Professor Istvan Szabo, chairman of the microbiology department of the Eotvos Lorand University of Sciences; place and date not given: "Environmental Protection: Planned Off Microbes in the Danube Basin"]

[Text] Water supplies could become polluted as a result of damage suffered by the microbiological filter layer of the basin, not only in the vicinity of shore-filtered wells along the two sides of the Danube, but also several hundreds of kilometers away, spoiling the water quality for hundreds of years, according to the microbiologist who appeared at a new debate about the dam, which was organized by the Association of Hungarian Engineers and Architects.

Many arguments and counterarguments have been made relative to the Danube dam. Anyone who has followed the swell of information provided during the past few weeks, months, and years could almost regard himself as an expert in energy production, navigation, architecture, the ecology, and law. The truth may soon be figured out from the countless number of details published, and for once we will be able to obtain a credible picture, including all the details on how the case of the dam has deteriorated for good, and who has done what and when in this sad history that has been dragging on for more than a decade.

But all this information—also published by the press—also makes clear all the things we do not know about, the number of specialized examinations that have not been performed, and the number of specialized fields whose spokesmen have not only been disregarded, but were not even heard by the decisionmakers, and consequently, what threats the gigantic interference with the natural order holds in addition to the "known" risks.

At an afternoon debate by the Hungarian faction of the World Federation of Hungarian Engineers and Architects convened to clarify disputed issues relative to the present situation of the Danube and the dam—a meeting that once again deteriorated into a verbal battle filled with emotions rather than with realistic arguments between engineers supporting and opposing (engineers representing various specialties) the dam—one specialist, who appeared as an invited guest, provided truly new information. (True, this person was not an engineer, but a biologist, or microbiologist, to be exact.)

Professor Istvan Szabo, head of the Microbiology Department of ELTE [Eotvos Lorand University of Sciences]:

[Szabo] At the support layer of every live body of water there evolves a natural microbiological filtering layer that prevents gases that erupt from the depth of the earth, and which are harmful to life, from entering the water and then the atmosphere, and, in the reverse process, prevents materials that could upset the balance from entering layers of soil and deep, underground waters through the filtering layer. The approximate thickness of this microbiological filtering layer is that of the span of a hand, and is made up of masses of various types of microbes feeding on various things. The composition of the species of microbes changes according to the natural conditions. For example, in places where carbohydrates erupt from the depth of the earth, huge masses of bacteria capable of utilizing, decomposing, and degrading carbohydrates form this microbiological filter. But other species, which constantly bond huge quantities of carbon monoxide, nitrogen monoxide, and nitrogen dioxide washed in from the air are also part of this live community; they prevent these gases from penetrating deeper underground layers.

Our water, and thus also the surface of the bottom sediment of the Danube, has a microbiological filtering

layer that prevents macro and micro, organic and inorganic pollutants flowing in the waters from penetrating the basin and entering ground water. This live, microbiological community regenerates in close to one year, if damaged for some reason. When the filtering layer is damaged in the course of dredging operations one often finds immediate pollutant penetration of ground water bodies and the rapid deterioration of water quality in wells supplied through shoreline filtering. The fact that on a very long—100 kilometer—stretch of the Danube, beginning in Austria, continuing along the Hungarian-Slovak border, and after Bos [Gabcikovo], constant cuts into the basin continuously destroy the bacteriological filtering layer that protected ground water on both the right and the left side of the Danube before, presents an extremely grave problem. This situation has catalyzed a process that cannot regenerate itself in the course of a year. The filtering layer is destroyed, because water containing little sediment, rushing at a constant speed, continuously planes off the filtering layer. Unfortunately, this layer is not going to regenerate itself for many long years.

[KOZTARSASAG] "What does the process, which occurs in every basin during dredging operations, has to do with the dam?" we asked Professor Szabo during debate, because it appeared from subsequent questions that not everyone understood the argument presented by the microbiologist.

[Szabo] If water let in behind the dam continues to flow rapidly and with great force, then crashes into the basin, and planes off the surface of the basin, then this layer is going to disappear, the bottom of the basin below it is going to be open and all the pollutants are going to be enter the ground water without impediment. The aforementioned biological filtering layer recovers from the consequences of dredging in one year, in other words, a year after the interference no pollution can be found in ground waters. The dam, on the other hand, represents a long-term change, and we know that the pollution in the Danube already presents a rather great problem.

This is the beginning of a process that causes the slow, continuous pollution of the waters and ground waters of the Vienna basin, the Hansag, the Szigetkoz, and south Slovakia. This problem is of a kind that its significance might be recognized only 200 years hence. For example, our successors may find around the year 2200 that pollutants that entered the lower ground layers of the Northern Trans-Danubian region in the 1990's are still there.

The damage caused to this filtering layer is not related to slower water flow, because we also find this biological filtering layer at the bottom of still-water basins. The only role played by the slower water flow after damming that cannot be neglected is that the water deposits a huge mass of easily fermenting, rotting organic material, and that material destroys the damaged filtering layer even

more. In addition, some toxic materials are also produced in the process of rotting, and these, too, seep down into the ground water.

[KOZTARSASAG] Why haven't we heard this argument before, even though much has been said about ecological and natural biological issues in the debate over the dam?

[Szabo] The issue of potable water reserves becoming polluted and the threat presented to shore-filtered wells has always been a central issue regarding the dam. Less has been said, however, about further reaching, long-term effects. This might have occurred because among the experts, and among environmentalists who participated in the debates, there were no microbiologists specializing in saprophyte sciences (experts dealing with plants nourished by lifeless, inorganic materials—the editor). Medical microbiologists and hygienists on the other hand are not well informed in this field.

#### **MSZP's Gyula Horn on Resignation Demand**

93CH0279A Budapest MAGYAR HIRLAP  
in Hungarian 31 Dec 92 p 3

[Interview with Gyula Horn, president of the Hungarian Socialist Party and chairman of the Committee on Foreign Affairs, by Pal Szombathy; place and date not given: "I Could Resign When Elections Are Called"]

[Text] "I would consider it reasonable to resign as chairman of the Committee on Foreign Affairs as soon as the elections are called, that is to say, at the beginning of the campaign," Gyula Horn, leader of the Committee on Foreign Affairs, told our reporter, reacting to a letter by 13 coalition members of the committee requesting that Horn resign by 26 January. In connection with this matter, the politician told us that he had to think, and that the decision was in the hands of the leadership of the Hungarian Socialist Party [MSZP]. In Horn's opinion, the highest leadership of the Hungarian Democratic Forum [MDF] is behind the attack, and the 13 representatives are only the means.

[Szombathy] Did the ultimatum of the 13 coalition members of the committee take you by surprise? Did you expect it?

[Horn] I was not surprised by this attack because the coalition has been exerting continuous pressure on me in the past months. However, at the threshold of the new year I did not expect to receive a letter forcing me to rethink my position as chairman. Based on previous information published in MAGYAR HIRLAP, I expected the coalition representatives to raise their objections during our committee meeting last week, but at that time they were silent. The coalition parties never made any remarks to this effect in the past two years. Once they reported me to the leadership of the House because I disclosed the name of an ambassador candidate to MAGYAR HIRLAP. They concluded that I seriously injured the interests of the Hungarian Republic. I think it is superfluous to even comment on



this. Otherwise, however, we never had any conflicts in the committee. I think I was able to overcome the dictates of partisan politics.

[Szombathy] Is this step logical after two years in the Committee on Foreign Affairs?

[Horn] There have always been arguments, often between the opposition and the coalition, but they have never exceeded the limit of tolerability. I regard the letter by the 13 representatives illogical because if we follow their train of thought, we could question the reason for the existence of the entire parliament, and even the structure of state power. If leading a committee is incompatible with being president of a party, than how can the president of the MDF be prime minister at the same time? Moreover, my colleagues from the coalition never make it a secret that they represent the interests of the coalition, or rather, the MDF. In my case, it is very difficult to pinpoint this affinity when it comes to foreign affairs. I have been reproached: Why don't I criticize the government's foreign policy blunders more harshly? I was reticent; I would have felt it to be unethical to expose the activity of my successor. In addition, those who wrote the letter also ignored the fact that last October the National Assembly reelected its officials, including me.

[Szombathy] What has happened in the two months since then?

[Horn] It is obvious that it was not the 13 representatives who decided to take this step. They are only the executors of a scheme that was probably decided on at the highest level of the MDF. It is well-known how many times I have been attacked already. At any rate, I feel sorry for these representatives.

[Szombathy] What do you think of the so-called partisan intervention?

[Horn] Last year in Nuremberg Jozsef Antall held a speech in which he reproached the West—and within it, the German leadership—for their continued support of the so-called reform communists. Thus, the prime minister took a matter of internal politics to an international forum. I have never done anything like that. However, I believe that if the West had the right to accuse the past regime of violating democracy and human rights, then it has reason now, too, to criticize the regime for anti-democratic phenomena. There are more and more of these. For instance, the attack on the media. In my opinion, in this they surpass the practice of the Kadar regime.

[Szombathy] How did you react to the reference to European practice?

[Horn] There is a precedent in Europe for a party president to lead a parliamentary committee. This is not only true in Finland; it happens elsewhere, as well. This argument is part of the plan with which the coalition politicians try to twist and turn the concept of European practice to conform to their own ideas.

[Szombathy] Several people said that the election campaign has already begun.

[Horn] I am not aware of it. Or, one must think that there is a constant campaign between two cycles. In this case, we have to reorganize our lives completely.

[Szombathy] Those who signed the letter also signaled that if you gave up your leadership of the MSZP, you would be fit to remain at the head of the Committee on Foreign Affairs without any further ado.

[Horn] In an unofficial form, MDF representatives indicated several times that their party would prefer if I did not lead the MSZP.

[Szombathy] What can come now? You were given a deadline: If you don't resign by 27 January, you must convene the committee.

[Horn] I don't have to convene the committee, because this happened already, and we made a decision together. I cannot decide by myself how to react to the objections raised in the letter. There are many personal motifs, but even so I cannot reply without consulting the leadership of the MSZP and the faction. I am not entirely free to decide the further steps.

[Szombathy] Can the party's only decision be rejection?

[Horn] I would consider it logical to resign my post as chairman of the Committee on Foreign Affairs after the 1994 elections are called, that is to say, at the official beginning of the campaign. This solution would be acceptable to me. As soon as the time of the election is decided on, I am ready to leave my position. Whether I can do so earlier is not up to me. One thing is certain: After what happened, it will be very difficult to work with the 13 representatives who signed the letter in the committee. I will have to rethink my relationship with these coalition representatives after January.

[Szombathy] After your recent argument with Jozsef Antall you told our paper that if the government proves to be right in the matter of the settlement of the Soviet debt by 31 December, you will be prepared to apologize to the prime minister.

[Horn] I am still prepared to do so. Let's wait until New Year's Eve. I will pay tribute to the government if it is really successful in coming to an agreement with the Russian party.



**Planned Changes in MDF's Internal Organization**

93CH0279B Budapest UJ MAGYARORSZAG  
in Hungarian 31 Dec 92 p 4

[Unattributed interview with Laszlo Medgyasszay, press spokesman of the Hungarian Democratic Forum; place and date not given: "New MDF Board; Direct Line to the Membership"]

[Text] *Various figures have been published recently in connection with the new steering committee of the Hungarian Democratic Forum [MDF]. The news estimated 120 members in one case, and several hundred in another; thus, we are dealing with very different assumptions. What is the real situation, and what is behind the numbers? This is what we asked press spokesman Laszlo Medgyasszay.*

[Medgyasszay] Today the steering committee of the MDF is indeed a limited forum. By creating a larger steering committee, we would like to expand democracy within the party. Thus, the goal is not to decrease or obscure organizational democracy, as some suggested. This will be a larger community, but one which could be "mobilized" quickly if necessary, because, for instance, it is more difficult to convene a national conference.

[UJ MAGYARORSZAG] How many members will this greater community have?

[Medgyasszay] There are some people who know this better than I do. One of the newspapers actually reported that this body will be composed of all of the representatives of the parliamentary faction, the resigning members of the current national presidium, and some members of the current steering committee. This idea is news to me.

[UJ MAGYARORSZAG] What is your idea?

[Medgyasszay] I can only tell you my personal opinion, because the national convention can make a different decision. In my opinion, the faction is so big that only a certain number of representatives can be considered. What the final number or participants in the new steering committee will be, be it 120, 240, or 210, cannot be determined now.

[UJ MAGYARORSZAG] On what principle will the steering committee be formed?

[Medgyasszay] According to one concept, the MDF organizations of every election district would send a representative from among their own members. This means 180 people. To them one must add the 20-member presidium elected by the national convention, and a certain portion of parliamentary representatives. The essence of this reorganization will be to establish a direct line between the leadership and the membership in the countryside. The local organizations can question their own delegates about what happened in the steering committee, what political decisions were made, and why. This is what I would consider good, that is to say, practical and really democratic.

**Csurka Presents 'Alternative' MDF Program**

93CH0279C Budapest MAGYAR HIRLAP  
in Hungarian 31 Dec 92 p 3

[Unattributed report on article in the 31 December 1992 MAGYAR FORUM by Istvan Csurka, member of the Hungarian Democratic Forum's presidium: "Istvan Csurka on Democracy That Puts Things in Order"]

[Text] The 31 December issue of MAGYAR FORUM published a new essay by Istvan Csurka—this time taking up two columns—entitled "Embittered Back Country." The essay is especially significant in view of the impending national convention of the Hungarian Democratic Forum [MDF], because the writer-politician sketches the basic elements of an alternative program to the official politics of the Antall government and the MDF. Incidentally, starting in January, MAGYAR FORUM is launching a monthly periodical.

The starting point of the essay: In Hungary the real change of regime did not occur; social revolution did not take place, and there was no change of regime in the world either, "only the two components of the old egg have been stirred into one single yellow mass." Western consumer society is not interested in quick changes in our region, because they would endanger the system of banks which is ruling the world and keeps consumer society in balance. For this reason, the West is supporting primarily those who are free of anticommunist passions and are satisfied with the change. Istvan Csurka labeled these quatermasters. According to the author of the essay, the present Hungarian Government and the coalition majority of the National Assembly is carrying out a change of regime "in the spirit of quatermasters," and the primary beneficiary of this change is precisely the elite who already enjoyed largely privileged positions in the previous regime. On the other hand, the majority of the Hungarian people, the Embittered Back Country, which was suppressed and sentenced to silence in the previous regime as well, cannot enjoy the advantages of the change. At the same time, the majority of the voters for the coalition parties in 1990 came from this dissatisfied group of "back country Hungarians," and this group did not receive an explanation why the ardently desired change did not take place. "The repulsive feature of a change in the spirit of quatermasters is that the elite is being replaced by foreigners and Hungarians thinking in the way of foreigners, and from the Back Country all it demands is patience. So far, the Back Country has granted this patience. Now, however, it is at a point where it is to break down," Csurka writes. Thus, instead of providing quarters, one needs to provide order, all the more, because all signs indicate that consumer society will sooner or later be replaced by a newer formation, and consequently it makes little sense to join in now. In Csurka's opinion, the greatest omission of the MDF and the government is that they did not prepare a program for the Embittered Back Country. In the following, the author sketches the major elements of this program.

Point One: One must create a world in which not the Bank is the Supreme Commander; for this, it is necessary to achieve that politics be determined by something else than the view of economists. Order-creating democracy, declares Csurka, must create a stronger, tougher society and an inwardly solid state; education must be reformed fundamentally, because without it one cannot establish honest, human requirements. It is also necessary to ensure that foreigners could not acquire large portions of Hungarian land, and that the Hungarian system of banks cannot be sold out over and above a certain percentage. According to Csurka, new legislation is necessary on borders and immigration, because just like the rest of Europe, we also cannot take in "refugees and the ethnically injured from faraway fields."

**Budapest District Forces Closure of MDF Market**  
*93CH0279D Budapest UJ MAGYARORSZAG  
in Hungarian 24 Dec 92 p 4*

[Unattributed report: "Obituary for a Market"]

[Text] The mayor of Kispest intends to close the Hungarian Democratic Forum [MDF] market, which has been successfully operating in the P + R parking lot next to the Hatar Street stop of the Metro. The decision was greeted by a strong outcry, but the mayor of the district remained true to himself: Again, he was insensitive to social problems. His decision was vividly opposed even within the self-government body dominated by members of the Association of Free Democrats [SZDSZ]. One must realize that on the weekends approximately 30,000 people try to buy commodities at this market for less than the average price, mostly people who are not blessed with a six-figure income.

Andras Attila Fodor (MDF), parliamentary representative of the district, thought to discern political intentions behind the decision by Mayor Levente Levay (SZDSZ). Deputy Mayor Gabor Zubko (Association of Young Democrats [FIDESZ]) thinks that the proposal submitted by the representative might save the MDF market.

**Populists Hear Former Political Prisoners' Chief**  
*93CH0279F Budapest MAGYAR HIRLAP  
in Hungarian 19 Dec 92 p 4*

[Unattributed Report: "Fonay Criticizes Constitutional Court"]

[Text] "If justice is not done, one cannot build the country in peace," Jeno Fonay, president of the National Alliance of Political Prisoners [Pofosz] and one of the

deputy presidents of the World Federation of Hungarians, said last night at a program held by the populist-national circle of the Hungarian Democratic Forum [MDF] at the party headquarters on Bem Square.

Fonay added that the Constitutional Court had no right to interfere with justice because at least 50 percent of its members belonged to the sinners of the past. The Pofosz president also said that by today he understands and entirely supports the government's slow and judicious policies.

The lecturer sharply criticized the opposition, which in his opinion deceived the voters by letting its leaders pose as people persecuted by the previous regime. By now it has turned out that not a word of it was true, we heard.

On the other hand, referring to a court document in his possession, Fonay told us that Jozsef Antall, together with his father, actively participated in Devecser in the revolutionary events of 1956. Boris Yeltsin apologized to the Hungarian people. "Why did nobody follow his example at home?" asked Fonay, who thought it strange that those examining the documents brought by Yeltsin only named the deceased Erno Gero as responsible for calling in the Soviet troops, but did not mention former Prime Minister Andras Hegedus, who is still in his prime.

**FIDESZ Far Ahead in 1992 Gallup Poll**  
*93CH0279E Budapest MAGYAR HIRLAP  
in Hungarian 31 Dec 92 p 1*

[The Hungarian Gallup poll's data on party preference for each month of 1992: "Party Choice Month by Month"]

[Text] The Hungarian Gallup Institute asked a new, random sample chosen from 120 spots of the country the following open-ended question every month: If there was an election in Hungary next Sunday, which party would you vote for?

On the average, two out of 10 people answered that they would not vote. Two said that they did not know. The percentages included in the table refer to those who had a preferred party. The polls were taken in the middle of the months, i.e., the second or third weekend. The pollsters had four days at their disposal to collect the data.

In several cases, the parties held major meetings and conferences at the time the polls were taken. The effect of larger press campaigns is also reflected in the sympathies towards individual parties. On the average, we asked 1,000 people; in October, 1,500, and in December, 2,000. The statistical margin of error of such polls is between plus/minus 2 and 4 percent.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Hungarian Democratic Forum [MDF]	21	13	14	18	17	15	14	14	14	16	11	11
Independent Smallholders' Party [FKgP]	8	6	8	6	10	8	8	7	5	5	6	7
Christian Democratic People's Party [KDNP]	5	5	8	6	6	6	7	5	5	5	4	5
Association of Free Democrats [SZDSZ]	15	9	9	10	9	10	10	11	10	9	18	14
Association of Young Democrats [FIDESZ]	34	55	52	46	40	44	43	45	40	48	43	43
Hungarian Socialist Party [MSZP]	11	9	6	9	13	12	10	12	19	12	10	14
Other parties	6	3	3	5	5	5	5	6	7	5	7	6

### Smallholders MP's Seek To Clarify Political Ties

93CH0279G Budapest MAGYAR HIRLAP  
in Hungarian 23 Dec 92 p 5

[Unattributed report: "Historical Section in Search of a Party"]

[Text] In order to restore the unity of the Smallholders' Party, at its Tuesday meeting the national presidium of the Historical Section operating in conjunction with the faction of the 36 charged four members of the presidium to conduct negotiations with "every organization and group representing an ideology suitable for the Smallholders' Party, and primarily with the Historical Smallholders' Party (founded by Tivadar Partay)." Laszlo Horvath, president of the Historical Section, declared that according to the presidium of the section, it is essential to establish a party background. The section decided to look for an opportunity to align themselves with an existing party. According to the presidium of the section, one should immediately start exploratory talks with the organizations that could come into question, but the presidium does not endorse the possibility that a few members of the faction of the 36 should form a new party, because this would decrease the chances of restoring party unity. They intend to conduct negotiations about the preparation of joining with Partay's Historical Smallholders' Party until the middle of January. One of the most important conditions posed by the section is that the sovereignty of the Historical Section be preserved even after the possible unification, and that it would be allowed to continue to operate as a section within the party.

Istvan Szegho, president of the National Smallholders' Party with headquarters in Szeged, agreed that a single, unified smallholders' party is needed. He does not agree with the opinions published in the press after the prime minister's visit with the Smallholders' 36, that the sections of the smallholders' party and the National Smallholders' Party should join forces and found a party in opposition to Jozsef Torgyan. According to Istvan Szegho, Torgyan's political method is still suitable to mobilize masses. The unified party cannot do without such people. Anyway, it would not be fortunate if two smallholders' parties were vying for votes at the next elections.

### Independent Smallholders Protest Antall Interview

93CH0279H Budapest MAGYAR HIRLAP  
in Hungarian 23 Dec 92 p 5

[Unattributed report: "Independent Smallholders' Party Protests Antall Interview"]

[Text] The national presidium of the Independent Smallholders, Laborers, and Civic Party [FKGP] was astonished to learn about the interview with the prime minister broadcast on Hungarian Radio on 20 December 1992 in which the prime minister called the Independent Smallholders' Party a coalition party. The party published its protest through the National Press Service. The Independent Smallholders' Party left the government coalition on 21 February 1992, and the membership regards its party as part of the opposition. In the opinion of the national presidium of the FKGP, it would be an honest step if every concerned party acknowledged the party's decision.

### Entz on Borders, Minorities, Emigres' Role

93CH0279I Budapest UJ MAGYARORSZAG  
in Hungarian 28 Dec 92 p 3

[MTI report: "Geza Entz' Munich Statements; Little-Entente Approach Stronger"]

[Text] Honorary Under Secretary Geza Entz, president of the office in charge of Hungarians beyond the borders, affirmed in Munich that Budapest does not intend to change the existing borders and is trying to ensure the rights of Hungarian minorities in the neighboring countries by concluding bilateral agreements. At a lecture to local Hungarians at the Munich Consulate General, Geza Entz supported the idea that Hungarians living abroad—in the West—should participate in Hungarian elections. In view of the 1994 elections, the creation of the framework must start soon.

In the opinion of the honorary under secretary, there will hardly be a flood of refugees in the West from the former Soviet Union, if only because of the great distances, but millions can knock on the door of the West from East Central Europe if the area is faced with a hopeless situation. The West is only beginning to be aware of the fact that it should give more support to East Central Europe.

According to Geza Entz, the Little-Entente approach is becoming stronger in Hungary's environment, and this approach is alive in Western Europe, as well. In Slovakia, strong anti-Hungarian sentiment was discernible in the past 20-25 years; in northern Slovakia, even expelling Hungarians is a fairly widespread demand. Of the Hungarian minority in Croatia, one-third live in independent Croatia, one-third in an area in Serbian hands, and another third came to Hungary.

Answering a question, Under Secretary Entz explained that the Hungarians in the West can help the country primarily in economic and not political terms. According to estimates, there is a Hungarian businessman behind 40-50 percent of Western investments in Hungary.

### Official Views 'Negative' Stockmarket Situation

93CH0233A Budapest HETI VILAGGAZDASAG  
in Hungarian 19 Dec 92 pp 41-42

[Interview with Jozsef Rotyis, deputy executive director of the Budapest Stock Exchange, by Gabor Hegyi; place and date not given: "When Small Investors, Too, Recognize the Opportunities That Exist in Stocks..."]

[Text] *The initial hurrah-optimism evaporated soon after the establishment of the Budapest Stock Exchange two and a half years ago. The most frequently heard criticisms leveled at the stock exchange are as follows: There is no real stockmarket, supply and demand are at a minimum and therefore prices can easily be manipulated, the enterprises announced to be privatized have not appeared on the exchange; in fact, they go far to avoid small investors. In contrast, Andre Kostolany, the experienced stock-exchange guru, announced in Frankfurt the other day that we should not complain about the exchange, because it is soon going to play an important role in accelerating privatization and in invigorating the economy. Whom should we believe: those who have a pessimistic view of the situation, or others who provide optimistic long-term forecasts? We asked this question from Budapest Stock Exchange Deputy Managing Director Jozsef Rotyis (age 33).*

[Hegyi] Many hoped that the stockmarket would pick up quickly after the reestablishment of the Hungarian exchange. In contrast, hardly any stock is moving at the exchange, and several highly rated securities viewed with optimism before have, for quite some time, been sold below their nominal values. What is the reason for this negative phenomenon?

[Rotyis] There are several reasons. The South-Slav crisis that turned into a civil war, and political tensions in our region have increased the so-called country-risks associated with investments in Hungary, and thus helped bring to a halt the initial stock trading at the exchange. The other reason is the recession in Hungary: We lost a significant part of our previous East European markets, and it is becoming increasingly difficult to regain these markets in the present political situation. These unfavorable phenomena do not leave untouched the firms listed by the

exchange, of course. For example, the business plans of Konzum Corporation of Pecs were largely voided by the war in Yugoslavia, a country envisioned as a strategic partner by Konzum. It should also be obvious that continued uncertainty in most branches of the economy does not favor the exchange either; for example, MUSZI [Agribusiness Management Consultants], engaged in developing agricultural management policies, probably faces tortuous difficulties at a time when the organizational forms and the ways in which future Hungarian agriculture is going to function are not known. They must develop in a different direction if, in a few years, we expect to have many small private farms, instead of large cooperatives and state farms for which they are producing ready-made management packages today.

[Hegyi] Is there an acceptable explanation for IBUSZ's [Foreign Tourism, Procurement, Travel, and Shipping Corporation] performance at the exchange? In the summer of 1990, this stock issue represented the first attempt in Hungary to accomplish privatization through the stock exchange. From the issuing price of 4,900 forints, the price of this stock rose at first to 13,000 forints, but soon thereafter it took a deep dive, and stalled well below the issuing price at the approximate level of 2,300 forints. In essence, this is the situation we have today.

[Rotyis] A serious market loss also played an important role in the weakening of the IBUSZ stock: In the past, much of its revenues were derived from East European tourism, and it is not easy to replace these lost markets. But the IBUSZ case also demonstrates how mistaken the policy was that recently caused quite a few stock prices to tumble: the establishment of relatively high—as it turned out later, unreal, high—issuing prices for stocks based on expectations of foreign countries' sympathy for Hungary after the system change. This policy was forced in part by the affected Hungarian enterprises and in part by the foreign owners and consultants of these enterprises. True, at that time we could not assess the extent of the recession in Hungary, nor could predictions be made relative to the competitive strength of capital markets in the rest of the Central and East European countries. By the time investor interest in Hungary showed a relative decline, previously not clearly recognized problems in enterprise leadership and management surfaced, and this, too, had a damaging effect on the way these enterprise stocks were viewed.

[Hegyi] In contrast, however, securities issued by the state perform quite well, and these are virtually the sole securities traded at the exchange. Isn't there a threat that with its organized market, this institution, whose primary role it would be to support the transition to the market economy, increasingly becomes a provider of supplemental revenue sources to the state?

[Rotyis] The real problem is not that the market for securities issued by the state has gained strength, but that the stockmarket has not been functioning along with this market. Financing the state budget through the capital market is an important element of the transition to the

market economy, and the exchange plays a definitive role in this regard. This can be seen in many countries, including Germany. Not even from an investor's point of view can it be said that the stockmarket is being destroyed as a result of the strengthening market for securities issued by the state, because the primary investors in these securities continue to be banks, financial institutions and institutional investors. Real competition is much more likely to evolve among fixed interest-bearing securities, i.e., bonds and securities having the character of bonds, and stocks. From the stockmarket's standpoint, much depends on the first year performance of Danubius and Pick stock at the exchange. When small investors, too, recognize the opportunities that exist in stock, they could provide a new impulse to the market by transferring some of their individual savings presently deposited in banks.

[Hegyi] Small investors will be able to subscribe to these stocks at very favorable terms. Could this kind of privatization turn into a model in the future—i.e., situations in which favorable stock purchase terms could indeed provide advantages over other forms of investment?

[Rotyis] Stock purchase programs supported by such favorable credit structures and other benefits are not likely to become models in the long term, but at present, they are undoubtedly well suited to generate investor interest in buying securities traded at the exchange. We must not forget that a program like this is costly to the state: just think of the tax credit or the free bonus share that is to be given away after every two shares of stock a year later. In contrast to the IBUSZ privatization, where winning the confidence of foreign investors was the main consideration, the purpose of this kind of privatization is to draw the attention of Hungarian small investors to the exchange, because an increased ratio of Hungarian investors along with the momentarily significant ratio of foreign ownership, would greatly strengthen the stability of the market.

[Hegyi] The continuous introduction of compensation vouchers represents something new at the exchange, provided that these are, indeed, going to be traded.

[Rotyis] From the exchange's viewpoint the primary significance of the introduction of compensation vouchers is that several hundreds of thousands of people become holders of securities. The exchange could be of real help to these people if stock exchangeable for compensation vouchers would be introduced as soon as possible at the exchange. Under ideal conditions both the stock offered and compensation vouchers would be traded at the exchange, and thus the exchange of the two types of securities would take place at prevailing daily

rates, under clear conditions. We heard today that one share of Pick stock can be purchased for one compensation voucher and 120 forints in cash. Anyone could dispute this, because Pick stock has no real market value at this time, and this question would not arise at the exchange.

[Hegyi] Last year quite a large number of enterprises made attempts to have their stocks traded at the exchange. Today, the same firms mention this potential in terms of a multiyear perspective, at best.

[Rotyis] It is not worth for a firm to be listed at the stock exchange today, unless its future plans include attracting foreign partners and investors. Lacking such plans, the advantages of being listed by the exchange do not prevail, in fact, such firms could face certain disadvantages sooner or later. On the other hand, being able to show that the firm is listed by the Budapest exchange could be well worthwhile to firms that plan to obtain credit abroad within a few years, or want to issue securities abroad. Being listed by the Budapest exchange would be a condition for issuing securities abroad. A growing number of private firms, in addition to firms introduced at the stock exchange as a result of privatization, could also become an important element of expanded supply. It is obvious that many, strongly developing private firms that follow the examples set by Fotex or by Kontrax, could be traded at the stock exchange within a few years. These would be traded at the exchange as a result of natural market development. Henceforth the exchange intends to become more active in providing information to interested enterprises about the conditions, advantages and disadvantages of being listed at the stock exchange.

[Hegyi] Gathering, and immediately publicizing all information that has a potential effect on trading at the exchange or on the prices of securities, is a fundamental criterion for the functioning of an exchange. Just how successful were you in doing so at the Hungarian exchange?

[Rotyis] We have made some progress, but much more is still to be done. Firms listed by the exchange must file quarterly reports on most important data concerning their management, and must announce within a day any essential change that could affect the price of their security traded at the exchange. These reports are, or course, incomplete these days, they are not always prepared with the investor in mind, and they are frequently delayed. But the enterprises cannot accept all the blame for these shortcomings: They, too, are in the process of learning how to conduct themselves in public, the way this is routinely done in market economies.

## PSL Congress Discusses Goals of Peasant Parties

93EP0113A Warsaw POLITYKA in Polish  
No 48, 21 Nov 92 p 5

[Article by Mariusz Janicki: "The Peasants Want Power"]

[Excerpts] At a time when urban politicians speak an increasingly obscure language, peasant leaders quite often adopt the tone of prophets and visionaries. They resort to basic concepts: God, land, family, nation, sweat and blood. They harken back to the tradition of the Kosciuszko scythe brandishers [peasants fighting Russian troops in the 18th century] and the protagonist of Prus's *Placowka* [*The Outpost*] [a novel by Boleslaw Prus chronicling the resistance of a peasant, Slimak, to German colonists trying to buy his land]. In addition, they are very keen to rule the country.

This was patent at the recent congress of the Polish Peasant Party (PSL). A close idea of the aspects of peasant policy in its PSL edition can be gained by taking the Balcerowicz program and reversing all of its planks. [passage omitted]

### The Peasants Did Not Choose This System

There are "too many" political parties, and many of those now existing have no right to be called that. A genuine political party should have a membership of at least 30,000-50,000, and it should receive a budget subsidy. But nowadays "couch groups [minuscule political parties consisting of as many members as can be accommodated on a couch] are subsidized by foreign funds." Things are not well.

Of course, such opinions are couched in more elegant language in the official programs, but experience clearly shows that it is not programs and resolutions but the actual views of particular head office and, the more so, regional party activists that decide electoral victories or the conclusion of coalitions.

The PSL still lives in the past, when Waldemar Pawlak [its chairman] was the country's prime minister for 33 days. That was mentioned in nearly every speech. The party's aspirations to rule have grown stronger instead of declining. The young chairman declared that his mission had failed because the PSL's partners were more loyal to their "older brethren from Styrofoam": "We were an embarrassment to them," said Pawlak, "yet it was not we peasants who had chosen the postwar system. On the contrary, it was the peasants who had remained intransigent, who had preserved the soil, the faith, and the national community." In the former prime minister's opinion, the PSL had long been pulling the Olszewski government "by the ears," but, ultimately, the limit was reached. Offstage, another and this time successful mission of Pawlak as the prime minister was often mentioned. The president, in his letter to the PSL congress, called Pawlak "a politician of sagacious compromise and hope," and Prime Minister H. Suchocka called the PSL

one of the country's main political forces, stressing that party's common sense and moderation on many issues. The PSL was also lauded by Speaker W. Chrzanowski, who even hinted that ideological affinities exist between the ZChN [Christian-National Union] and the PSL.

Ryszard Bugaj, the leader of the Labor Party, referred to many similarities between his party and the PSL. A. Kwasniewski [former minister in a communist government] apologized to peasant activists for 40 years of oppression by the PZPR [Polish United Workers Party], which met with enthusiastic approbation to the extent that it stressed the fact of the oppression.

"The process of straightening shoulders," as Chairman Pawlak put it, is beginning. He also added, "It may be that we alone bear in mind the country's future," which met with a standing ovation.

The dominant mood was that of drastic protest against the discrimination to which the PSL is subjected, even though that party is a fully legitimate and democratic party.

The PSL is anxious to be accepted by its rivals as an equal without checking obsolete credentials. Perhaps it expected too much of Prime Minister Suchocka, but she made it clear that she does not want the PSL as part of the governing coalition, implying that she feared this might break up the fragile stability of that coalition. Thus, it seems that, once again, the issue is that of "origin," especially considering the comments made concerning the congress of G. Janowski's party, Peasant Accord, held a week earlier, to the effect that "this government" is finally beginning to pursue an appropriate farm policy. If we also consider Pawlak's observation that "substantial funds are being deposited in the bank accounts of friends" by a certain minister of state, it is clear that, in this situation, the PSL is treated like a leper. J. Zych even accused the government of chicanery toward PSL members working at various ministries.

W. Pawlak was elected PSL chairman in an unaccustomed style: He received more than 90 percent of the votes. There was no other contender because no one succeeded in gathering the required minimum of 30 signatures. No other political party at present has such an unambiguous and tried and tested leader.

### Euphoria and Discord

Even so, a few people voiced doubts as to the structures and nature of the PSL. Former deputy chairman of the PSL W. Obornikowicz recalled the times when those who were unwilling to join the PZPR chose the ZSL [United Peasant Party] as the lesser evil, even though they had little in common with the countryside, underwent rapid advancement, and "bureaucratized" the party, causing its central office to become too powerful, at the expense of its local branches. He declared that Pawlak's election should be respected, but, as for the fact that J. Zych wears two hats as a Sejm deputy speaker and the chairman of the PSL Supreme Council, he considers that

a mistake and a step in the wrong direction. His speech reflected the fear that the PSL might be reduced to the role of a machine for glorifying Pawlak and excessively strengthening the independence of the deputies representing the PSL in the parliament. This was interpreted as a discordant note in the atmosphere of general euphoria, although some people commented that "that should have been said before the election of the new officers." Mention was made of the very poor financial condition of the PSL, especially its cash shortage.

Then, too, there is the issue of the PSL's relationship to the other peasant parties. They all declare their readiness to cooperate. The representative of the Peasant-Christian Alliance (the former Solidarity PSL) T. Kowalczyk declared that, owing to partisan bickering, by now even an ordinary pipeline cannot be laid in the gminas. A. Lepper, chairman of the Peasant Self-Defense, was angered because his organization had met with the same chicanery as the Liberals while a peasant leader [Pawlak] had been the prime minister, although it is "radical, but within the limits of common sense." The dispute about names arose again because Peasant Accord announced that it was going to try again for the full right to the name. This was resolved at the recent congress of Peasant Accord by Speaker H. Bak. That congress also had declared in its resolution its willingness to cooperate. Well, that is nothing new; many people believe that other, hostile forces are breaking up the peasant movement in order to deceive the peasants more easily.

For the time being, there are three peasant leaders: Janowski, who decisively beat Bak in the elections of Peasant Accord officers; Pawlak, who was elected PSL leader in the absence of any serious contenders; and Lepper, who has no rivals because he is the undisputed boss of Peasant Self-Defense. As for R. Bartoszcze, the leader of Ojcowizna, he is represented by just two deputies in the Sejm, and the size of that party's membership is not known even roughly. J. Slisz similarly has ceased to count. As for Farmers Solidarity, it has merged with Peasant Accord.

The platforms of these groupings differ little in their views of the present but are, as is usual in this country, divided by greater differences in their views on the past, symbols, origin, problems of decommunization, or, on the other hand, abortion. Nevertheless, the same speeches could be delivered at the congresses of any of these parties and meet with applause.

That is because the peasant parties are becoming increasingly eclectic; generally speaking, they are adopting the nationalist-Christian-leftist orientation—everything else is more or less skillful rhetoric.

The peasants want cheap credit, minimum prices, high duties, the even now difficult negotiations with the European Community—with the difficulties to be posed by us—peasant participation in the privatization of the plants serving agriculture, and the elimination of unemployment. Thus, basically, there should be no obstacle to

a united stand of the peasant parties, irrespective of its eventual consequences to market reform. But this is not happening because they still remain divided into "Solidarity" and "independentist" as well as "ZSL" factions, even though they all begin their meetings by having a Mass said.

### Illegal Crossings of Eastern Border Increase

93EP0114A Warsaw POLSKA ZBROJNA  
in Polish 23 Nov 92 p 4

[Article by Zbigniew Damski: "Without Emotion: On the Situation on the Polish Border"]

[Text] The list of misfortunes which, in the opinion of native publicists, descend across all the borders on our poor country is long. The gigantic-scale smuggling of all goods, such as cigarettes, alcohol, and passenger cars, along with drugs, the incursions of armed gangs from the East and Romanians en route to the German paradise—such are just the principal aspects of this calamity, and one must be as sound as a horse in order not to collapse under this burden.

Gifted visionaries can also frighten us with "black scenarios": An unimaginable inundation by refugees from the East once some great chaos breaks out there (and it may)...or with German neo-Nazis who for the time being are beating up foreigners in their own country, but...

"Have we got news for you today," Colonel Wieslaw Adamski, director of the Investigation Office at the Border Guards Headquarters, announced calmly. "At the Ogrodniki Border Crossing two citizens of Singapore were detained. That is something new! Both held forged passports with transposed photographs. An investigation had to be launched."

A pile of papers covers the director's desk: They are daily reports on the border situation, received from all Border Guard units.

"The structure of our office is such that attached to all the units are investigation sections headed by supervisors and the officers working there often serve directly at the border, at the crossings. Our principal duties include the prosecution of crimes against the inviolability and security of the state's borders as well as all the activities involved in readmission, that is, in the reception of persons expelled from other countries, and in the expulsion of undesirable individuals."

The number of persons detained while attempting to illegally cross our western border amounted to 26,973 during the first three quarters of 1992. Of these, 25,797 persons tried to enter Germany from Poland: 21,635 persons were detained by the Polish Border Guard and the remainder by the German Grenzschutz, which sent them back to Poland.

Of those detained, 22,022 were Romanians, 2,694 Bulgarians, 367 Ukrainians, 352 Russians, and 184 Turks



(!). About 500 others were citizens of African countries, extremely exotic to us: Nigerians, Somalis, and others, as well as Germans and Poles. The latter two categories chiefly engage in cross-border smuggling.

"These figures indicate that the Romanian problem is the most serious one," said Col. Adamczyk. "Of these, 90 percent are Romanian Gypsies, who anyhow live to this day on the margin of the Romanian society. Their huge migration across our country to the 'German paradise' is due chiefly to destitution in their own country, and besides in the communist countries there used to be no freedom of travel. This is a particular reaction, because in the end Romanian Gypsies are the last nomads of Europe."

The investigating offices of the Border Guard do not even bother to initiate [judicial] proceedings against the detained Gypsies. The reason is prosaic: The cost. Even paying the interpreters is a big expense. Many detained Romanian women are saddled with numerous children, often small ones, held in their arms. A child is not a criminal, but in the event proceedings are initiated against the mother, she would have to be jailed until being placed before a court and the children would have during that time to be placed in, e.g., a children's home. There are not that many children's homes, nor that many jailings, in view of the number of detainees, and it is out of the question to burden the existing courts with a mass of costly trials.

"Anyway, we know in advance what ruling would be pronounced after a hearing: Expulsion from this country," Col. Adamczyk added. "Except that we also have no money for carrying out the expulsion. So all that it comes to is stamping the passport (if the detainee has one at all) with 'Administrative visa,' [releasing him] and thereupon catching him in another attempt to cross the border."

Recently there has been broad discussion in the press as to whether visas should be introduced for Romanians and citizens of the former USSR.

"Let us be fair," Col. Adamczyk argued patiently. "For many years we had been demanding of the world that visas for us Poles be abolished. And it finally came to pass, with a few exceptions. So should we now ourselves introduce visas for others? At the same time, service on our western border is extremely arduous; life for our personnel there is becoming unbearable. On some nights groups of more than 100 persons are detained in a single spot."

Forty-five-year-old Col. Wieslaw Adamczyk, a law graduate of Jagiellonian University, which he completed in 1969, has been familiar with the state border since 1970, when he joined the WOP [Border Defense Troops]. He served in a battalion at Swinoujscie and at the Okęcie Airport until he was transferred to the WOP Command. For the last two years he has been heading the Investigation Office at the Border Guard Headquarters.

"Migrations become self-curtailed owing to the balancing of markets," he claimed. "We experienced mass migrations of Poles to the West at a time when the black-market rate of exchange of the dollar in Poland had been very high. Now these trips have markedly diminished in number, but they are increasing for Russians. Every dollar they acquire in Poland makes them Croesuses in their own countries. Recently the Romanian invasion has been declining. This was of a certainty due to the political stabilization in their country as well as to the effects of the new Romanian-German agreements, although it is apposite also to speak of the excesses committed by neo-Nazis in Germany, who attack all foreigners."

Col. Adamczyk is somewhat disturbed by the situation on the Eastern border. The number of illegal border-crossers there is growing. This year as many as 526 were detained, and there is no end to it.

"I was recently notified from Cieszyn that two Ukrainians attempting to illegally cross over into the Czech Republic were detained."

The colonel also mentioned readmission. Poland is obligated to receive back anyone who crosses illegally our national border and is detained.

We must also, obviously, receive all Poles expelled from other countries for either colliding with the law or working without a permit or having expired passports—with Col. Adamczyk's office notifying accordingly the offices which issued those passports.

"It is worse when it comes to foreigners whom we must readmit," said Col. Adamczyk. "Most often they are paupers. In my conversations with Swedes I often pointed out to them their hypocrisy: They are 'getting rid' chiefly of the impecunious foreigners while keeping the experts, the well-educated ones with skills in demand. The best example of such 'selective' procedures is the immigration questionnaires used by the Republic of South Africa or the United States: Just consider the questions they ask...."

We change the subject: What about the gangs from the East, which infiltrate across the border and rampage in our country?

"The gangs exist and it would be hiding one's head in the sand to deny that," said Col. Adamczyk. "The fact is that we cannot catch them at the border. These people have valid documents and we lack the information on whether they are criminals sought in their own countries. For the time being these racketeers [racketeers] are chiefly a burden on their own compatriots in this country, extorting bribes from them at street bazaars or collecting tribute from Russian vendors."

Robberies also happen, as when a bus was stopped and the passengers robbed. The robbers asked if there were any Afghanistan veterans among the passengers. One turned out to be and, after they made sure he was not



lying, the highwaymen returned to him his merchandise and money. These "racketeers" are for the most part recruited from among Afghan veterans who were demoralized by the war and, upon their return home, rejected by their own society. Their prosecution is a matter for the police, not for the Border Guard, and it is a problem because the victims most often do not report such incidents and the perpetrators remain unpunished.

The gangsters are armed. Col. Adamczyk claims, however, that so far the Border Guard has not recorded any instance of arms smuggling other than isolated hunting firearms. No known cases of smuggling of military weaponry have as yet been uncovered.

"It may be that such smuggling is taking place but we have not yet uncovered it," he said. "Anyhow the monitoring of cross-border trade is a duty of the customs offices. We do cooperate in this with the customs officials—not only as regards the detection of radioactive materials or drugs, which is also our duty, but also other attempts at contraband. Thanks to our intelligence service we obtain at times our own information on smuggling attempts."

The contraband seized by Border Guard personnel in the first three quarters of 1992 amounted to the sizable figure of 87.234 billion zlotys. This is an estimated value, because, while it is easy to appraise the worth of seized alcohol or cigarette contraband, it is harder to appraise the worth of stolen cars, which numbered as many as 204. It is also hard to determine the worth of the seized icons, and as for drugs, it is practically impossible.

"We are increasingly often detaining drug smugglers," said Col. Adamczyk. "There was that publicity about the Turks detained in Szczecin with 3,940 kg of heroin, and there also were those Swedes with 300 g of amphetamine hidden in their car trunk. We have detained smugglers with hashish and Indian cannabis. Every smuggler seized at the border is placed at the disposition of the procurature, but the outcome is often as in the case of a man who was seized for the possession of 5 kg of amphetamine. He was freed because he argued that he found the package and was just on the way to the police! Yet that guy had been sought by the police in several countries."

The problem lies with the legal loopholes. Polish law does not provide for punishment for drug possession. Only sales or production are punished—but then only if the perpetrator is caught in flagrante delicti. The equipment and procedure for "cottage-industry" production of amphetamine are very simple, and anyone who has the needed apparatus and ingredients is not liable for punishment. He can be punished only if caught while making the amphetamine—which is totally absurd considering that, in contrast, the mere possession of equipment for producing moonshine is punishable by law.

"In such a legal situation this is battling against windmills," said Col. Adamczyk. "Then also there are other obstacles. For example, cases of contraband worth up to a certain amount (100 million zlotys) are handled by the

customs offices themselves, with legal proceedings initiated only if the contraband exceeds that value. The Border Guard has caught 1,413 suspects, with 429 being detained, and 952 cases of completed proceedings being transferred to the procurature."

To return to the value of the seized contraband, the Border Guard must derive a substantial profit from it, considering that under law the finder of a fat wallet is assured of being rewarded with a certain percentage of its contents.

"We are not getting even a cent from it," Col. Adamczyk declared, "but we should. We have already, together with the police, petitioned the higher authorities about it. We work hard in order to return to the State Treasury the funds due it, and we deserve a reward. Such a reward would come in highly useful."

That is because of the shortage of funds. Col. Adamczyk is reluctant to discuss it: Modern efficient means of communication and transportation are needed, along with a greatly needed computer network that would serve to provide rapidly data on criminals or stolen vehicles from cooperating foreign border police. The shortage of such equipment is felt with special keenness at the eastern border, which is understaffed, because there is a shortage of housing for Border Guard personnel.

"The techniques of border monitoring are the same all over the world," Col. Adamczyk explained. "But in the richer countries they are reinforced by high technology, whereas in our country we do everything 'manually' as it were. We are already so short of funds that certain guard stations in the mountains lack winter stores of coal and potatoes."

Then there is the most embarrassing issue—crime within the Border Guard itself, perpetrated by its personnel.

"Of course, there are cases of corruption within our ranks," Col. Adamczyk declared. "We investigated the case of a warrant officer from Glucholazy who acted hand in glove with smugglers. Similarly, young candidate border guards from Porajow Station took part in an armed robbery. We have already transmitted these cases to the procurature. They are not many, and we prosecute and punish with utmost severity of the law any such crime."

### Surveys Show Slight Improvement in Public Mood

93EP0100A Warsaw RZECZPOSPOLITA in Polish  
26 Nov 92 p 3

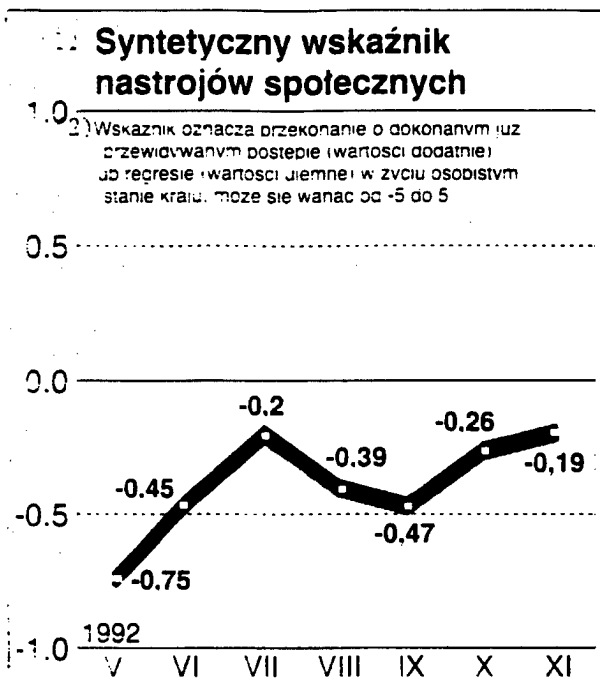
[Article by Janusz Czapinski: "Slight Stabilization of Public Mood"]

[Text] The public mood in November 1992 was at a level similar to that in October.

This can be inferred from the survey conducted by the Sopot Social Research Laboratory among a sample group

of 943 adult Poles in mid-November. Even though the view that both private lives and the country's situation are moving in the wrong direction still dominates, the number of optimists is almost as high as the number of pessimists. (See Diagram 1.)

Diagram 1



Key:

1. Combined index of the public mood
2. The index indicates the people's opinion about the progress, which has occurred or is anticipated (plus), or regress (minus) in their private lives and in Poland's situation; it may range from - 5 to 5.

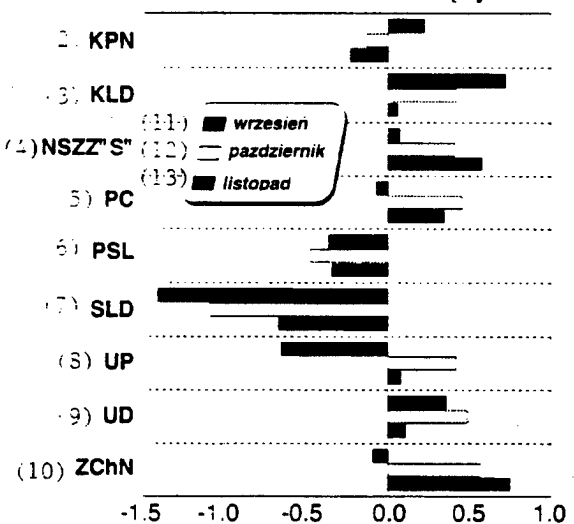
However, behind the smoke screen of that general stabilization, one can discern significant changes of mood among various social groups. The proponents of ZChN [Christian-National Union] and Solidarity have been the most optimistic. (See Diagram 2.) On the other hand, the proponents of the KLD [Liberal-Democratic Congress] and the Democratic Union, who had been the most optimistic until recently, have begun losing their optimism, as if reflecting the degree of their parties' influence on the coalition government. In this situation, the third party wins—the proponents of the SLD [Alliance of the Democratic Left] are quickly recovering from their "paradise lost" depression and gaining more hope as far as their and Poland's future is concerned.

Slightly less than half of Poland's adult population maintains that it is interested in politics. As far as the mood of the rest of society is concerned, it has been affected very little, if at all, by the struggle at the top.

Diagram 2

Wykres 2

1. Wskaźnik nastrojów wśród zwolenników większych ugrupowań parlamentarnych w okresie ostatnich trzech miesięcy



Key:

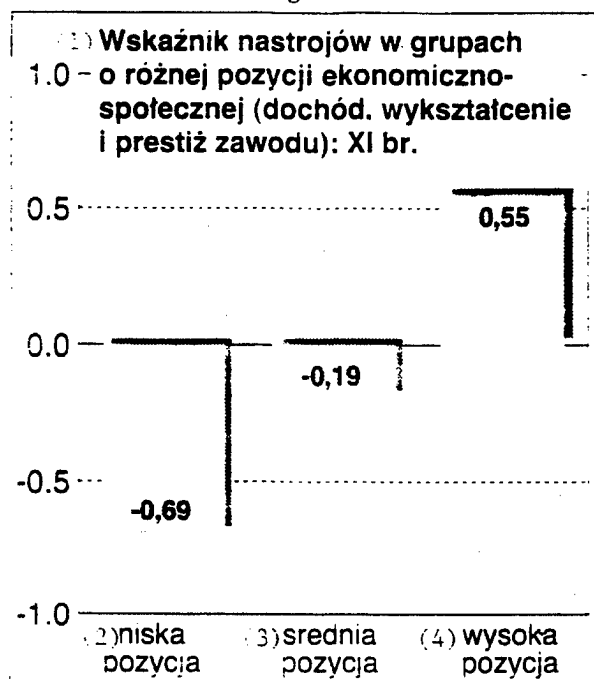
1. Index of mood among the proponents of the major parliamentary groupings in the past three months
2. Confederation for an Independent Poland
3. Liberal-Democratic Congress
4. Solidarity
5. Center Accord
6. Polish Peasant Party
7. Alliance of the Democratic Left
8. Union of Labor
9. Democratic Union
10. Christian-National Union
11. September
12. October
13. November

That mood is mostly determined by one's position on the social ladder, one's family income and level of education, and the prestige of one's profession.

The fact that the index of the public mood was not bad in November was due to a sudden (by comparison with the situation in September) rise of optimism among people with high economic-social status. (See Diagram 3.)

A look at particular social and professional categories reveals a further differentiation of optimists and pessimists. Those social groups whose support the Polish Government seems to value most—the youth, the high-level managers, specialists, professionals, and, to a smaller degree, entrepreneurs—have a much more positive view of the current situation than other categories.

Diagram 3

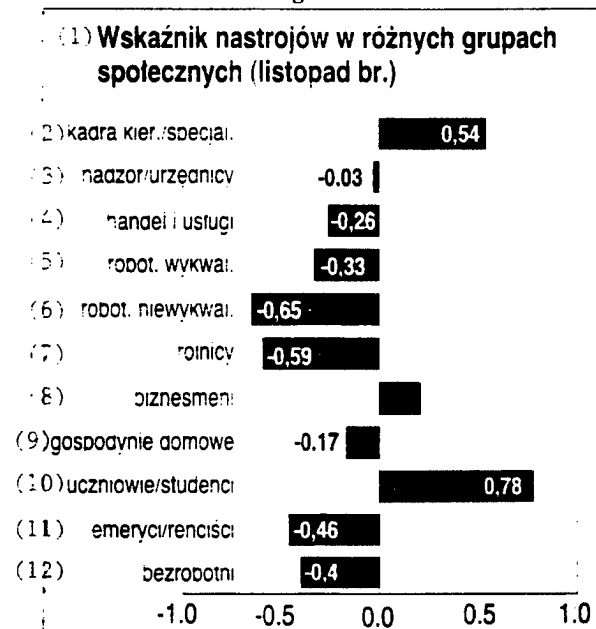


## Key:

1. Index of mood among groups with different socio-economic status (income, education, and professional prestige); November 1992
2. low status
3. middle status
4. high status

The entrepreneurs have even begun trusting the government again. Traditionally, unskilled workers, farmers, pensioners, and retirees remain pessimistic. In the case of pensioners and retirees, their poor mood can be attributed to their age and bad health. This happens all over the world. Therefore, it would be unjustified to attribute this to the effects of the government's "antiretirement" policy (postponed recently by the Supreme Court anyway). Furthermore, a fashionable hypothesis, which attributes the poor mood among the unskilled workers to their fear of losing their jobs, fails as well. As it turns out, the unemployed tend to be less pessimistic than the unskilled workers. (See Diagram 4.) It may be that unemployment is not as horrible as it is painted, except in such specific industrial centers as the town of Mielec, or among specific social groups such as older people. Who knows how many people officially registered as unemployed work in the sweatshops or as temps? Asked how they evaluated their current jobs, only 82 percent of those officially registered as unemployed said they did not work. Hence, at least 18 percent of them must have some sort of employment.

Diagram 4



## Key:

1. Index of mood among different social groups (November 1992)
2. managers/specialists
3. supervisors/white-collar workers
4. employed in trade and services
5. skilled workers
6. unskilled workers
7. farmers
8. businessmen
9. housewives
10. students
11. retirees/pensioners
12. unemployed

## Financial, Morale Problems in Army Profiled

93EP0102A Warsaw SPOTKANIA in Polish No 45,  
5-11 Nov 92 pp 11-15

[Article by Marek Sarjusz-Wolski: "Morale Without Cannon"]

[Text] A parade is marching through Hrubieszow. That is a long-unseen sight here, because the entire military personnel in Hrubieszow consists of the border guards and several score troops from an army depot. The depot contains mothballed tanks, transporters, cannon, and everything else needed to turn Unit 2122 into a real

military unit should the need arise. For the parade, held on the occasion of a convention of war veterans, a military orchestra and a representative company had to be drawn upon from Chelm.

"The town needs the army," said an officer from Hrubieszow. "Just consider what a great attraction this small parade is."

Before the war 2 Regiment of Mounted Riflemen was stationed in Hrubieszow. Nowadays, owing to the shortage of troops, the company from Chelm is followed by a march of veterans and, behind them, a long column of youth. At every intersection the columns grew smaller in numbers.

Someone was butchering a hog in a courtyard and its last oinking silenced for a while the words of "The Last Brigade."

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"We need the army." There is hardly any town or city in Masuria, Warmia, Mazowsze, or the Lublin region that has not asked the army to choose it as a garrison site under the restructuring program. Not so long ago local governments used to rejoice when the army left and vacated buildings. But soon afterward it turned out that empty barracks are not a cure for unemployment, while full ones are. Because the military cannot survive without the civilians.

Orzysz is lucky: Its garrison may be transferred if necessary, but the local firing range, which measures more than 25,000 hectares in area, cannot. That is why gaudy signs saying "Cut rates for military personnel" hang in stores and taverns. After every troop maneuver the Orzysz carpenters are hired to build mockups. That always has been and will be so. Except that nowadays there are somewhat fewer troop exercises.

Regimental-scale exercises are nowadays held within staff headquarters. At most, a battalion of infantry and a company of tanks will exercise in the field. Just now they left a forest, because a symbolic—in wartime it should last five times as long—artillery preparation is over by now. They broke through the enemy line, only in order to...put out a fire because their firing ignited the heather.

The exercises held by a section of 1 Mechanized Regiment on the firing range in Orzysz for more than three weeks cost more than 13 billion zlotys [Z]. The ammunition fired then cost more than Z10 billion. Firing a single tank projectile costs Z4.5 million, or as much as the monthly salary of a captain, a company commander. A guided antitank rocket, of which several were fired in Orzysz on 24 September, costs as much as a Polonez passenger car—nearly Z90 million. For hauling four trainloads from Warsaw to Orzysz and back the railroads charged Z550 million. In such a situation, the Z510 million spent on feeding the "warring" troops was not a problem, and neither were the maps: One map sheet costs only Z8,000.

Before the American tankers started their engines when the call to "Desert Storm" was issued, they spent dozens of hours in trainers thoroughly simulating field conditions. They fired 3,000 computer shots each. But such a simulator costs twice as much as a tank. It cannot be afforded considering that this year more than 80 percent of the defense ministry's budget is allocated for troop maintenance, and the remainder for restructuring. The Polish army has always been "schooled in combat." Nowadays when funds are scarce the battalions of 1 Mechanized Regiment leave for field exercises only twice a year. Two weeks later their personnel is discharged for civilian life. That is why their commanders repeat emphatically that these exercises "simply cannot fail." There will be neither time nor money to repeat them.

Prior to 1 Regiment, 160 reservists from 3 Regiment exercised on the firing range in Orzysz. Following their transfer to reserve status the personnel of line units have a chance to practice firing only three or four times, while for those of other units that chance is even less frequent. Thus, on leaving the firing range—the slogan "Firing-range efforts are the contribution of the Kosciuszko [Division] to building the new Poland, which welcomes them and bids them good-bye," really looks like a slightly retouched photocopy—they ask when will the next exercise be held. But it is not the army that has changed much; it is the reality. When "reservists" queue up for days on end in front of labor offices, awaiting employment, they think that nobody wants them, and then suddenly they find a summons from the army in their mailboxes.

"I would be happy if they were to ask for reenlistment," said General Julian Lewinski at an observation point, shouting to be overheard despite the cannonade (the heather fire was extinguished, a "counterattack" took place, the battalion dug in and switched to defense, and in a moment it will again set fire to the heather at the edge of the forest).

Several weeks ago Gen. Lewinski was appointed commander of the Warsaw Military District. In the army he is said to be a "Silesian wave" man, meaning that he is a soldier's soldier, not an administrator. This also means that on the military map of the former People's Republic of Poland only two military districts, the Silesian and the Pomeranian, used to matter. Talented commanders were not assigned to the depot in Hrubieszow. What for? For guard service?

Lewinski argues that, should more young men decide to reenlist instead of transferring to the reserves, the cost of military training would markedly diminish.

A tank cannon operator having the rank of private first class can expect a monthly salary of about Z2.5 million if he decides to reenlist.

Many do so, but they apply for jobs in the administration or as drivers of the colonel's Polonez. In Germany nearly every division mails out information stating clearly what "people wishing to work in the army" can count upon and expect. In Poland people know that, too, even

without the printed brochures. But if there are no jobs in the military administration—and there are already too many of them anyway—people prefer to doff their uniform and apply to the labor office.

The Polish army, which is 12th in size among European armies, should employ as many volunteers on reenlistment contracts as possible (the contracts can be signed for from one to four years). It should also accept volunteers to again reenlist after having served those four extra years. It is cheaper to pay the career military than to train new soldiers once every 18 months. But what if young Poles shy away from the concept of the career soldier?

The total of Z26.5 trillion allocated for the military this year means in per capita terms that every Pole pays US\$50. The average inhabitant of Czechoslovakia pays US\$280 for his country's military, and the average German US\$600. Great Britain is the only country in Europe to maintain a career army. Belgium and the Netherlands are coming close to that model. Conversion to that model is extremely expensive.

The reform of the Polish military, whose complete outline is to be presented by Minister Janusz Onyszkiewicz in the next few weeks, will be only halfway close to that model: one-half from draft and the other half by choice.

Who knows, a reform of mentality might be more difficult. Since last June 1 Mechanized Regiment in Wesola is undergoing the "Regiment in 2000 Experiment." This was an idea of Deputy Minister of National Defense Bronislaw Komorowski and the former Commander of the Warsaw Military District General Leon Komornicki. They picked this "show" regiment (there is not a week when it is not visited by some or other foreign delegation) because of its so-called large complement and European-class equipment (T-72 tanks, armored infantry transporters, and relatively modern artillery). They decided that everything could be changed, from the training method to the performance of the regiment and the competences of its commanders. The experiment's premise is simple in theory: The regiment is to become more efficient by means of, among other things, "a restructuring of the moral outlook of the military."

"If there is enough money, the first changes will become evident in two years," said one of the officers wearing a yellow-banded four-cornered visored hat.

On 10 October, General Leszek Slawoj Glodz, the field bishop of the Polish army, consecrated the regimental chapel in Wesola. Not so long ago it used to be a warehouse. The mass was attended by the former commanding officer of 1 Division and former Minister of Defense General Florian Siwicki. He arrived wearing a gray civilian suit. (Although he had not been loved too much in the army, he was retired with full ceremony, unlike the treatment accorded former defense minister Admiral Piotr Kolodziejczyk.) Officers who did not want to be suspected of opportunism waited outside for the mass to end.

1 Division celebrates its anniversary on 12 October, the anniversary of the Battle of Lenino [on 12-13 October 1943, in the former Belorussian SSR, where the Kosciuszko Division, that is, 1 Division, first battled against the Germans. In communist Poland 12 October used to be the Day of the Polish People's Army]. Until recently this anniversary had been celebrated by the entire army. As Bishop Leszek Slawoj Glodz put it, "The blood shed at Lenino was of the same color as any other." Now it was decided to hark back to an older tradition, to that of the (Kosciuszko) Division of the Commander in Chief, for what matters most, to put it plainly, is a return to the tradition of [Pilsudski's Polish] Legion. At the same time 1 Regiment was deprived of its "Praga" cognomen. Why? Could it be that it is not true that it had been blooded in the fighting for Praga?

"Is this an opportunistic move?" The officers are restrained in voicing their opinions. "We have survived the Reds, so now we will survive the Blacks," they mutter while looking to both sides. All they can comment about the chapel is that it cost a lot, whereas it is common knowledge that the military are in financial straits.

But let us return to the experiment. Civilian and military psychologists, educators, and experts in organization and management are working on it. The restructuring is to commence "at the bottom," with entire battalions to be formed from same-year personnel, which should help end the war between the veteran soldiers and the novices. Ninety percent of the recruits are to be local draftees (defending one's own home grounds is more inspirational). They are to be drilled intensively and let go home on weekends wearing mufti, and, this perhaps mattering most, they are to feel close bonds to their unit. This cannot unfortunately be accomplished by giving orders. Under the experiment, officers and noncoms are attending fairly intensive training courses. But for now reservists still keep saying farewell to the military as in the times of the People's Polish Army. They turn their back on the gate of the compound and throw a zloty coin behind them; let the army feed itself.

In the FRG reservists attend together with their families the celebrations of Bundeswehr units. In Wesola only a few dozen war veterans had gathered.

"If, instead of church masses and parades, we begin to organize bonfires with sausages and beer, the place would be crammed," the Wesola officers said. The military need more relaxation.

The recipe seems simple. Fill in the gulf between officers and enlisted men that had been existing for 40 years. The authors of the "experiment" put it this way: "So that the serviceman would feel that he is a person." But here a paradox arises. When I asked Major Trace Brian of the Royal Air Force, who was visiting together with 30-odd other officers representing the countries which had signed on 17 July the Treaty on Conventional Armed

Forces in Europe, 7 Bomber and Reconnaissance Aviation Regiment in Powidz, what he found most interesting about our army, he said, "The cordial relations between privates and officers."

To the boys who are about to be drafted, and whose older friends used to raise them on frightful tales about the army, this answer may sound merely diplomatic. Yet in the British Army there is a gulf between the officer corps and privates and noncoms. To be sure, there are many supporters of a similar model in the Polish armed forces. Well then, does that gulf exist or not? Ever since salutations like "Comrade" or "Citizen" were abandoned in favor of "Mister," this gulf seems somewhat narrower. To be sure, though, it is rare to meet an officer who does not address a private familiarly as "you" [the second person—familiar—form of the verb].

At the same time, some officers speak of the need to restore "certain elements of the elite nature of the officer corps."

We are frying frankfurters at a bonfire. As luck willed it, the general dropped his frankfurter. An alert colonel immediately give him his own frankfurter. Other officers are waiting to offer trays, mustard, and onion. Is that the meaning of "an officer's honor"?

"We are trying to abolish these habits, but that will probably require a generational change," said Bronislaw Komorowski, deputy minister of national defense.

The opening of the military to the West—with many people feeling that this opening is too much in the direction of the United States and too little in the direction of, say, France—has resulted in that officers no longer regard Soviet colonels as their personal role models. They began to study English intensively and are trying to loosen up. Some acquire new values, like one officer from Powidz who explained to Captain Zygmunt Peter Krasinski why Polish reporters are rather unlikable. "They changed their beliefs overnight. They have always been fawning on the powers that be, whatever these are."

But this explanation does not seem quite objective. For it would be naive to argue that the so-called spirit of times past has been exorcised from the military. It is precisely the hierarchical habits that make it difficult to find among the military anyone who would claim that no changes are needed. After all, change is the name for the spirit of the new era. So the military declare themselves to be fully in support of change, but often on condition that it does not affect them personally.

"This applies chiefly to bureaucrats in officer uniforms who have forgotten how to command even a platoon," said a major, a field officer. "But above all this applies to the caste of noncoms and warrant officers."

"Caste" was a slip of his tongue. Of a certainty, he meant to say "cadre," but he did not correct himself. This is

how he defined the difference between the noncommissioned officer corps in the prewar army and in today's army. "Formerly they used to be craftsmen. Nowadays they are office clerks."

As a soldier's soldier, the major forbids the "caste" to wear dress uniforms while in unit area. They should wear grease-stained fatigues so that he would be certain that they are working instead of shuffling papers. The statement can be hazarded that, if the army by its very nature is a conservative institution, it is the noncoms that are its most conservative element. A combat officer may be transferred a dozen or more times while in service, whereas a noncom may spend his entire life in a single barrack. Thus, assuming that rigidity (of not only action but thinking) is a peril to the military, it is chiefly centered within the noncom cadre.

A change in mentality must mean readiness to abandon the credo "Stay out of trouble." Such a confession of faith by their official superiors cannot be emulated by young men who devote 18 months of their life to "the honorable duty," all the more so considering that they most often join the military in the hope of emulating Rambo but in reality they are ordered to sweep the floors clean and guard depots.

But what else can they do since there is no money to buy them ammunition and all that the noncoms want is to be left in peace. They are left in peace when all the rooms are swept clean. During a visit by foreign officers to Powidz this was the background of a controversy. A local reporter accused the garrison command of practically painting the grass green. The outraged officers argued that when guests come by invitation, one's home must be kept clean, not messy. The interiors of the field latrines near the hangars were covered with a layer of fresh sand. But the philosophy of reciprocal visits and inspection consists precisely in not hiding anything. Actually, however, the troops are engaged in clean-up duties while their commanders reveal previously classified information to people [Western officers] who not so long ago had been regarded as enemies.

Owing to the elasticity of the concept of "classified information," it could be used to hide any abuse from public opinion. To the civilian world only an idealized propaganda image of the military used to be presented. This became perforce an ingrained habit, and that is why here and there the angry reaction is, "We are opening up too much."

Thirty-two visitors from foreign armies incessantly photographed, filmed, and recorded what they saw. They measured the time it took a squadron to take off from the airfield in an emergency. Are there any secrets left to the Polish military?

"The condition, weaponry, and deployment of the military are no longer secret," said Minister Onyszkiewicz. "But as for such crucial factors as the mobilization system, that is, the rapidity with which units can be placed in condition of combat readiness, the operations

plans showing how the military would act in hypothetical situations, and of course these situations themselves—these are classified.”

Gen. Lewinski, as a military man, answered this question somewhat differently. “A secret is what we should not talk about. I am beginning to gain the impression that we are pursuing ‘a policy of subsidizing foreign intelligence services.’”

Onyszkiewicz defined as follows the puzzling concept of “confidence-building.” Thanks to the general European availability of information about armed forces, a sudden large-scale attack is not possible. Surprise inspections of our military, and our surprise inspections of the military of other countries, are bound to reveal at once any such preparations.

So much as far as international context [of confidence-building] is concerned. The civilians working at the defense ministry argue that they are playing a subtle but dangerous game of opening up the army to the Polish public. Raising the green curtain might be interpreted as reflecting lack of confidence in commanders. This is a delicate game, because, on the one hand, the regimental commander in Wesola is the lord and master of his unit, since he is responsible for equipment valued at several hundred billion zlotys and for 1,700 people. Should he—and please consider this as just a hypothesis—want to bend to his will the politicians in the nation’s capital, it would take him one hour to seize and occupy the principal nerve centers in Warsaw. Thus, confidence in him is indispensable. On the other hand, the military in a democratic country cannot be outside social control, because then it would become a ghetto governed by its own rules.

One effect of the democratic opening-up of the military is that in recent years it has been written about and discussed more than throughout all the decades of existence of the Polish People’s Republic. This does not enthuse most officers. After all, the morale of the military, a subject of such wide publicity nowadays, should also be kept secret. Although the officers officially declare their interest “in a very open and nonmanipulative presentation of the true image of the armed forces to the public,” in reality they expect something different. “Just let us be and give us time. Let Wilecki be the first soldier of the Republic and let no one interfere with his command.”

An explanation for civilians: Division General Tadeusz Wilecki is the chief of the General Staff of the Polish army.

[Box, p 13]

#### The Cadre

The Polish army is scheduled to consist of 230,000 soldiers. By the year 2000, 50 percent are to be career soldiers (compared with 38 percent at present). By now 23,400 positions remain unstaffed (10 percent of officers, 20 percent of warrant officers, and 40 percent of

noncoms). Several dozen women serve in the Polish army (in the logistics and health services and as psychologists and sociologists).

In the last two years 78 generals and admirals have been discharged from service. The number of colonels dropped to 3,267 from 5,527, and lieutenant colonels to 8,572 from 11,790. The average age of an officer dropped to 35 from nearly 40 (the statistical commander of a mechanized regiment is 38 years old).

Of the 449 positions of generals, 85 remain active (with 66 holding closely military posts.) (The average age of a general is 54 years). By year end some 20 more generals will retire. Barely a few years ago they numbered more than 270.

In the last two years 359 generals (84 percent) were replaced. All commanders of military districts and branches of services as well as chiefs and deputy chiefs of central institutions of the defense ministry were replaced. In addition, 83 regimental commanders (17 percent) were replaced.

Eighty-six officers also have the rank of university professors; 189 are qualified to teach, and 1,580 have defended their doctoral dissertations. Forty percent of the officer cadre are graduates of higher educational institutions, and 48 percent have postgraduate degrees. Polish officers are studying in the United States, the FRG, Great Britain, France, Russia, Czecho-Slovakia, and Hungary.

[Box, p 15]

#### Armaments

Until 14 October 1992, the Polish army had 2,850 tanks, 2,396 armored combat vehicles, 2,315 cannon of caliber of upward of 100 mm, 507 combat aircraft, and 300 assault helicopters. On 14 October, near Szczecin, this weaponry began to be reduced to the limit agreed upon in the Treaty on Conventional Armed Forces in Europe. Poland must reduce the number of its tanks by 1,120; armored vehicles, by 246; artillery of upward of 100 mm caliber, by 705 cannon; and combat aircraft, by 47. Instead, our military can acquire an additional 100 assault helicopters, but it looks like it may not avail itself of this right. Not everything comprised by the reduction has to be destroyed with blowtorches. Two operational specimens of each kind of weapon can be set aside for a museum. A (precisely defined) remainder may be, upon adaptation, utilized for civilian purposes or serve as firing-range targets.

So far destruction of weaponry has been commenced in the FRG, Russia, Bulgaria, and Ukraine.

### Evaluation of Privatization Process Noted

93EP0101B Warsaw SPOTKANIA in Polish  
No 45, 5-11 Nov 92 p 23

Article by Anna Tolcz-Godlewska: "Privatization Polish Style: Again It Could Have Been Better"]

[Text] Another report by the NIK [Supreme Chamber of Control] on privatization reached the Sejm in October. This time the chamber's inspectors evaluated the course of conversion of state enterprises into individual State Treasury partnerships.

The inspection was conducted in 67 individual State Treasury partnerships. The setting up of the review should be treated as a supplement to the report on the MPW [Ministry of Ownership Transformation] (see SPOTKANIA No. 36/92). NIK supports the notion that there is still no system operating to effectively protect the interests of the State Treasury. Property control functions are excessively scattered, and the lack of a law on the State Treasury causes problems with cooperation among the various organs of state administration that execute this control by virtue of various statutes.

The disclosed irregularities in property conversion, caused in many cases by subjective factors based, for example, on the mutual expectation of the companies' bodies (general meetings, boards of directors, management) of assuming crucial legal and economic activities, were partly the price of educating the participants in this process.

Comparative analyses conducted by GUS [Central Office of Statistics] and the result of NIK research show that the economic and financial situation of individual State Treasury partnerships did not differ significantly from the result of the activities of state enterprises. More than three-fourths of the companies reviewed gave evidence of worse economic results compared to the period before commercialization, including one-fourth that showed a negative result (a loss) as a result of their activity.

In addition to many objective obstacles (for example, payment delays, the high costs of loan interest) that operate unfavorably on the course of economic processes in the reviewed companies, the reasons for this situation should, in NIK's opinion, be sought in the faulty actions of boards of directors and company management. The former, to a small degree, took on economic issues at their meetings. In most cases, the subject of their resolutions were organizational problems of the companies bodies and issues of the compensation of their members.

There were also instances (at Bumar-Warynski SA in Warsaw, Norblin SA in Warsaw, and ZPO Bytom SA) where, despite motions intended to improve the companies' economic situation, the general meeting accepted neither the resolution nor an appropriate action.

The buyers of blocks of the stock of privatized individual State Treasury partnerships have often been financially weak firms that do not have a lot of their own capital.

These firms have been able to buy stocks of highly profitable companies at a low price. They have also won attractive conditions for installment payment of amounts owing for the stocks purchased, which permitted these firms to finance the entire transaction from...the company's assumed profits, and to acquire ownership of more State Treasury stock with a value of many billions of zlotys [Z]. To this end, they took advantage of national bank loans, with the security for repayment of the loans being the property purchased earlier.

In two cases, NIK informed bank presidents about the extension of loans by branches of these banks to unprofitable firms to buy up State Treasury shares in the companies. Statements were also directed to the Finance Ministry and Treasury chambers with information about confirmed cases of losses in budget revenue. By virtue of the actions taken by NIK, the State Treasury recovered a total of approximately Z40 billion.

Perhaps these numerous shortcomings affected the reduction in privatization trends observed in the first half of 1992. In the case of conversion to individual State Treasury partnerships, this manifested itself in a relative decrease in acceptance of property conversions by enterprise personnel.

However, NIK's inspections indicated irregularities and violations in all 67 reviewed companies; the significance of these problems varied, from very important to less significant and formal.

[Box, p 23]

### NIK Finds the Greatest Irregularities in...

Norblin SA metal rolling mill in Warsaw; Novita SA carpet factory in Zielona Gora; E. Wedel SA candy factory in Warsaw; Polam-Pila SA works in Pila; Pollena-Bydgoszcz SA works in Bydgoszcz; Zywiec SA brewery in Zywiec; Swarzedz SA furniture factory in Swarzedz; Bumar Warynski SA in Warsaw; Krakchemia SA trade firm in Krakow; Techmie-Krakow SA; Fampa SA paper-making machine factory in Jelenia Gora; Krosno SA glass works in Krosno; Ozarow SA cement factory; Tel-Eko SA power plant in Wroclaw; Mostostal-Krakow SA; Iskra SA roller bearing factory in Kielce; Elcie limited liability partnership in Lodz; Inofamie SA in Inowroclaw; Polon limited liability partnership mechanics and electronics enterprise in Krakow; Cetechu limited liability partnership in Lodz; Brewery Works SA in Wroclaw; Cellulose-Paper Works SA in Swiecie; Kunice SA window glass works in Zary; Okicim SA Brewery in Brzeg; Alima SA fruit and vegetable works in Rzeszow; Olawa SA foundry in Olawa; POLMO-Praszka SA in Praszka; Elma-Indukta electric-machine works in Bielsko-Biala; and Tormies SA meat works in Torun.



### Slow Rate of Privatization Discussed

93EP0111B Warsaw RZECZPOSPOLITA (ECONOMY AND MARKET supplement) in Polish 27 Nov 92 p I

[Article by E.B.: "Privatization Like a Nosebleed; It Is Time for Acceleration"]

[Text] So far, 1,875 state enterprises, or 24.1 percent of the total, have undergone ownership transformation. Of these, 292 have been transformed into State Treasury corporations, 183 have been designated for general privatization, and 1,400 have been placed in liquidation; of the latter, 628 are to be privatized, and 772 are in liquidation due to their poor financial condition. The Ministry of Ownership Transformations has published a report concerning the dynamics of privatization and its results through the end of September 1992.

This year, a total of 616 enterprises have been privatized. If the dynamics of ownership transformation in Poland does not change, the number of state enterprises will have declined by just one-half in two or three years—but this is enough for the country's economy to become dominated by private firms. Such firms are springing up like mushrooms, and their share in gross output is larger and larger.

It is estimated that there is already a total of 1.6 million private enterprises in Poland. According to the Central Office of Statistics, 67.1 thousand commercial-law corporations received a regional statistical number through September 30, including 732 State Treasury corporations. The share of private firms in the GNP [gross national product] has risen to 20 percent. This has not been reflected in budgetary income, however. This is chiefly supplied by state enterprises—one should remember that there are still 7,773! Taxes on private firms brought to the budget only 6 percent of all income from business.

This unusually dynamic development of the private sector is not occurring uniformly. Private businesses are located particularly in trade. The share of private businesses in income from industrial production in the first half of this year was 12.2 percent; in construction, the share was 42 percent and in trade 79 percent.

Slowly but surely, state enterprises are disappearing from Poland's economic map. Construction (39.7 percent), trade (30.4 percent), and industry (28.5 percent) show the most dynamic rate of ownership transformation. Agriculture and forestry are privatizing the most slowly.

So far, small firms, employing fewer than 200, have been employed the most—879; 579 firms employing more than 500 have been privatized, and only 417 firms employing between 200 and 500 have been privatized.

Of the 156 enterprises that have been selected for universal privatization, 129 represent industry, 20 represent construction, and 7 represent transport.

The most difficult operation is privatization through liquidation due to poor financial condition. The process has

been completed in only 7 percent of the enterprises that are to be liquidated for this reason. The reason for the slow pace of this form of privatization is a lack of demand for the property of such enterprises. Nor is the shortage of qualified bankruptcy trustees and liquidators insignificant.

There are also no takers for enterprises put up for so-called quick sale. Of 87 firms offered so far, only 33 have found buyers.

### Legislative, Other Obstacles to Privatization

93EP0111C Warsaw RZECZPOSPOLITA (ECONOMY AND MARKET supplement) in Polish 24 Nov 92 p I

[Article by Ada Kostrz-Kostecka: "How Will It Be Next Year? Less Effective Privatization"]

[Text] Ownership transformations are being accomplished much more slowly this year, and, despite a certain quickening in the third quarter, it is already known that this year's results will be worse than last year's. The "Directions of Privatization for 1992," accepted by the Sejm in the spring, talked of the continuation of the paths of privatization. It assumed that eight to 10 public offers and the sale of 50-60 enterprises or corporations would be prepared; in addition, sectoral programs would be developed, and the implementation of a program of universal privatization would be continued. The privatization, or the initiation of the process of privatization, of approximately 400-600 enterprises under Article 37 of the privatization law was planned. These plans turned out to be unrealistic.

"These were rather cautious estimates," says Vice Minister Jerzy Drygalski of the Ministry of Ownership Transformations. "We assumed that the earlier pace of privatization would be maintained, but now it is already clear that this cannot be achieved. However, income from capital privatization will be much higher than last year, despite the fact that the numerical goal was not achieved. I think there is a chance to reach 4 trillion zlotys in income from capital privatization, to be entered as corrections to this year's budget. The relationship of expenses to income from privatization, at present approximately 7 percent, is also much better this year."

"One can count on only two public offers this year: Mostostal and Polifarb in December. There are fewer liquidations under Article 19, but the quality of privatization proposals has improved. There will also be approximately 100 fewer privatizations under Article 37 than a year ago."

### Barriers and Brakes

In Drygalski's opinion, the recession is certainly hurting privatization. When about 40 percent of state enterprises are operating at a loss, there are more important problems for them than privatization. In such conditions, liquidation under Article 19 of the Law on State Enterprises and Bankruptcy is the most costly. In effect, there emerges on

the market a surplus of available property. This affects prices, which, in turn, has an impact on the national budget. This also has an impact on the situation of liquidated enterprises, causing them to fall further into debt. The worsening of the situation of enterprises marked for sale to foreign investors makes the completion of transactions more difficult and brings prices down.

There are also social barriers: The feeling of security is broken, and a fear of the future has appeared. One sign of this is criticism of privatization.

The next barrier is the interest of foreign and domestic investors, smaller than had been assumed. The reliability of investment in Poland is less than it was in 1992. There is also the lack of expert personnel able to prepare business plans and conduct privatization.

The next problem is the legislative jam. Bills on reprivatization and universal privatization are waiting. The lack of laws is also blocking privatization in the cooperatives. A revised bill on privatization of enterprises has also become blocked in the Sejm.

Conflicting signals sent to state enterprises also serve to put the brakes on ownership transformations. For example, on the one hand, support for privatization is expressed, while, on the other, there is talk of restructuring financial institutions and banks. This immediately slowed liquidation privatization, despite pronouncements that restructuring would not affect all institutions. Finally, privatization also depends on the favorable attitude toward privatizing; when this is lacking, the ministry cannot work miracles.

What happens next year? In Drygalski's opinion, there will be less and less room to maneuver in privatization because we have begun a whole series of programs from which it will be difficult to back away. The conclusions that should be drawn from this year are that one should strive to remove barriers, especially the legislative ones. The pact on enterprises creates conditions for accelerating privatization, but it also forces the ministry itself to increase its ability to operate. It is necessary to couple privatization policy more closely than before with general economic policy. A new economic system of corporations is needed, as well as principles for their financial restructuring. The year 1993 will not be one of new programs, but of new economic and organizational solutions.

From year to year, privatization will be less and less efficient, and more technical and manipulative.

So far, one-fourth of state enterprises have already been transformed, the State Budget's Agency for Farm Property has taken over 250 enterprises, and 15-20 percent of municipal property has already undergone transformation. If the development of the private sector is also taken into account—and in agriculture, more than half the people now work in the private sector—one can say that, in the next two to three years, a certain critical mass in the economy will be reached: More than 50 percent of

the enterprises will have been transformed. Then, says Jerzy Drygalski, the logic of the private sector will begin to work in the economy.

### Critical Analysis of 1993 Draft Budget

93EP0113B Warsaw POLITYKA in Polish  
No 49, 5 Dec 92 p III

[Article by Jacek Poprzeczko: "The 1993 Budget: Taking From Peter To Pay Paul"]

[Text] How often people say "the budget must fund it," when discussing various and incredibly important needs of the society! The budget is to subsidize money-losing enterprises, housing rents, mass transportation, higher retirement pensions and annuities, and higher salaries for teachers and physicians. Well, no! The budget will not fund anything of itself. It is we who have to pay for everything with our own money; the state budget is merely a machine for transferring money from some pockets to others.

It is surprising how many people cannot accept this simple truth. It is thus worth recalling at a time when the government's 1993 draft budget has been presented to the Sejm. We must vigilantly watch the deputies and senators representing us as they debate the draft budget and vote it into law. For this is an issue that concerns every household. For the present, our legislators are considering which to tackle first—our money or relieving our consciences on the abortion issue. The decisions they will take are to be a litmus test of maturity for governance in a society of civil liberties and a market economy.

In the meantime, let us consider the draft itself and the economic prospects for the next year, which it unfolds before us. They are not rosy prospects (though neither are they black). Those among us whose incomes are derived from the state sector or who benefit from state subsidies in one way or another must consider that, next year, budgetary spending will be lower in many fields than it was this year. And, as for those on whom the burden of financing the budget rests to a greater degree, they should be ready for that burden to become heavier. Even so, however, it will remain a deficit budget, and the question of how to offset that deficit requires special consideration.

Consider the figures. According to the draft budget, 1993 receipts will amount to 433.5 trillion zlotys [Z]—that is, they will be 41.4 percent higher than this year. Spending is to be at the level of Z514.5 trillion, which means an increase of 32.5 percent. At the same time, it is assumed that the GDP will increase, for the first time in several years, by about 2 percent, while the average level of consumer prices next year will be 39 percent higher than this year.

As can be seen, the budget deficit will amount to Z81 trillion, or approximately 5 percent of the GDP. That 5 percent is viewed as "the safe ceiling"; consider that, when that ceiling was exceeded this year, it led to a tempestuous parliamentary debate and was one of the reasons the International Monetary Fund suspended financial aid to Poland.

Will success be achieved in maintaining the 1993 deficit at the "safe level"? This issue will involve repeated dramatic decisions. That is because, irrespective of the fact, characteristic not only of Poland, that budgetary funds are viewed as "gratis" money and often simply wasted, it has to be stated that, in this country, the level of spending on social services, pensions, education, health care, national security, defense, and so forth is relatively low, and, thus, further slashing the spending on these purposes places large social groups in a difficult and sometimes even dramatic situation.

Consider the proportions among these outlays in discrete major domains—what can improve, what can grow worse, and what will remain at the same level.

Let us bear in mind that total budgetary spending in 1993 will be Z514.5 trillion—that is, 32.5 percent higher. But consumer prices will increase by 39 percent—that is, to simplify, in terms of 1993 prices, budgetary spending next year will be lower than this year. (Note: Prices will rise gradually. In addition, it is predicted that so-called sales prices in industry will increase by about 31 percent and investment prices by about 33 percent. But we are chiefly concerned with the prices of consumer goods because, after all, we shall spend the money received from the budget chiefly on consumer goods and services.

#### Who Shall Be the Winner and Who the Loser?

In what domains will spending increase at a faster rate than prices—that is, where will more funds indeed be spent than this year? According to the draft budget, only in four: It earmarks Z113.3 trillion for social security (48.7 percent more); Z13.6 trillion for state administration (53.3 percent more); Z11.7 trillion for subsidies for gminas (55.1 percent more); and Z2.2 trillion (76.2 percent more) for the operating expenses of nongovernment institutions (Presidential Chancellery, Sejm and Senate chancelleries, the Supreme Chamber of Control, the Supreme Court, the Superior Administrative Court, the office of the Citizens' Rights Spokesperson, the Constitutional Tribunal, State Labor Inspection.) As for spending on other domains, there it will lag behind the pace of inflation, being increased by from 28.7 percent for public security to 13.3 percent for education. In one case, we meet with a minus value: Subsidies for enterprises will be cut by 6.8 percent and amount to Z19.1 trillion. A total of Z23.1 trillion was appropriated for spending on assets (budget-financed investment projects).

For precision and clarity (insofar as a picture woven with statistics can be clear), let us mention two other items. A total of Z66 trillion (48 percent more) is to be allocated for bank clearings—that is, for servicing the national debt and credit guarantees, plus Z16.1 trillion (29.8 percent more) for servicing the foreign debt. Consider that one can spend from the budget only as much as is put into it; we shall discuss separately the deficit issue. More can be spent if we have foreign credits available. But credits have to be repaid, even though Poland was

partially forgiven some of them. Next year, these repayments will come to a substantial total: Z16.1 trillion—that is, much more than we shall allocate for higher education (Z11.5 trillion), let alone culture and fine arts (Z3.4 trillion) or tourism and recreation (Z0.2 trillion).

How can we evaluate the outlays on the latter of the above-mentioned items if we compare them with the salary raises for the state administration? In addition to the aforementioned expenditures, "nongovernment institutions" reported "investment needs" totaling Z299.5 billion—that is, 130.6 percent more than this year. The renovation of the Regent's Palace for the needs of the Presidential Chancellery alone will cost Z160 billion, an amount comparable to the total outlays on tourism and recreation for the Poles as a whole. I do not want to engage in demagoguery here or to give the impression that this is a central element of the entire budget issue. Our state administration is hardly efficient and certainly should be better funded and civil servants better paid. This is in the interest of all of us, and I would not be a penny-pincher about it. Still, at the same time, we should very carefully watch how that money is spent. The administration needs streamlining, not trumpery.

#### Too Little, Too Much

Returning to the major budget items, the outlays on social security will be the biggest item. Consider Z113.3 trillion—that is, an increase of 48.7 percent. Most of it will be absorbed by the subsidy for the Social Security Fund—Z73.4 trillion. That is more than we can afford but much less than needed. As is known, this will not solve the problem of retirement pensions and annuities (a one-time cut in their valorization is predicted), but it will dramatically affect many individual cases. As is also known, the only solution is a radical reform of the Social Security Fund so as to make it independent of the budget and turn it, as is the worldwide practice, into an autonomous fund capable of independent investing. The related proposals are on the back burner because supposedly the parliament has more important issues to consider.

Other projected big-ticket 1993 outlays are: health care, Z64.1 trillion (a 17.9-percent increase); education, Z42.6 trillion (13.3 percent more); social care, Z32.2 trillion (24.8 percent more); national defense, Z30.3 trillion (22.1 percent more); and public security, Z18.2 trillion (28.7 percent more). All of these outlays (plus certain others) are listed under the heading "Current State-Sector Expenditures" and total Z269.2 trillion—that is, 27.2 percent more than this year. Considered in relation to the whole of the budget and the national income and, on the other hand, to the status of health care, education, social care, national defense and security, and also the inflation level, it is indeed much too little. The draft budget precludes across-the-board salary raises in budget-funded domains next year, which means that such salaries will not increase in proportion to the salaries paid in the private sector. A total of Z13.7 trillion will be earmarked for salary increases—much less than in 1992

(Z23.7 trillion). It is expected that these limited increases will be granted twice, in April and September. Well, perhaps funds will suffice for the April increases, but who knows about September? That is, unless one is an employee of the "offices of the national executive, audit, or judiciary agencies" or "a person holding an executive position in the government." Such categories are not affected by the "General Guidelines." But, again, let us not succumb to demagoguery. Such persons are few, and, relatively speaking, their salaries are not that high—which is contrary to our national interests anyhow.

Thus, as can be seen, austerity in budget spending will get worse rather than improve. Well then, could receipts not be increased? Let us look at the other side of the budget.

#### Attention: Taxes!

Budget receipts are to amount to Z433.5 trillion, or 41.4 percent more than this year. Allowing for the anticipated inflation rate, they will be in real terms higher than 1992 receipts, meaning that we as taxpayers will have to pay more into the budget. Whose wallet will be emptied most by the tax collectors? The biggest item is precisely tax receipts: Z360.5 trillion, or an increase of 49.5 percent. Of these receipts, the largest source is to be the taxes on goods and services: Z185 trillion (an increase of 78.8 percent). This is linked to the coming introduction of the value-added tax or VAT. The conclusion is simple: We all will pay more, but not equally: Persons with a yen for foreign goods will pay relatively more in taxes. The receipts from import taxes will amount to Z41.7 percent—that is, they will increase by 94.7 percent. That will be a blow to wearers of Italian shoes and English ties and good fortune for domestic makers of shoddy merchandise. Car owners, including owners of foreign cars, will also be worse off. Receipts from gasoline taxes are to amount to Z33 trillion—93.6 percent more. The tax collector will be not as strict toward smokers and lovers of alcoholic beverages: The taxes on tobacco products will bring in Z14.5 trillion (37.2 percent more) and, on alcohol, Z32.9 trillion (38.8 percent more).

Next year, one would be better off as a legal entity than as an individual. Income taxes on legal entities will amount to Z58.5 trillion (a 21.5-percent increase), while personal income taxes will reach Z108.5 trillion (a 57.7-percent increase). Among legal entities, it is not advisable to be a bank (income tax raised by 43.6 percent), but it is a good idea to be an enterprise (income tax raised by only 17.2 percent; the receipts from the tax on wage increases are to diminish by 51.4 percent).

As for "Nontax Receipts," enterprises will pay a 19.5 percent lower dividend " [tax on their assets]. Altogether, nontax receipts (the "dividend," interest earned on capital, duties, judicial fees, and so forth) will bring in Z64.1 trillion (an increase of 7.4 percent compared with 1992).

Other receipts will include income from privatization (Z8.8 trillion, a 46.7-percent increase) and interest earned on credits granted by Poland (Z0.1 trillion).

The overall picture is thus quite clear: The enterprises have succeeded in getting for themselves tax relief as regards the income tax, and the taxes on enterprise assets and wage increases, along with stricter treatment of imports. The resultant loss to the budget is to be offset by higher taxes on goods and services (VAT) and higher personal income taxes (tax gradations to be frozen at 1992 level, a new 50-percent tax on highest incomes). What we shall gain as producers we shall lose as consumers, especially if we have the misfortune to be discriminating consumers. Some will give up the struggle for higher incomes, but others will have their belief in social justice strengthened. It can be feared that private enterprise will wither somewhat. As to whether state enterprise will revive now that the millstone of high taxes will be somewhat lifted from its neck, we shall see.

In sum, as consumers and taxpayers, we shall have to pay more next year. But this will not protect the budget against a deficit, the more so considering that a bitter parliamentary struggle for higher spending can be expected. The deficit will be financed chiefly by the National Bank of Poland (NBP), which expects to print more money. That is, incidentally, one reason for the mystical treatment of the budget. After all, more money can always be printed. Yes, of course, but that is spurring inflation. Even so, by now forecasts of inflation have become precarious.

The central bank (NBP) should be the guardian of a balanced money supply. In other countries, this is institutionally guaranteed by the central bank's independence from other government agencies, with the central bank not financing the government deficit. But that is not so in our country. We keep saying that this should not be so, that it is a temporary expedient during the transition period. It is hoped that the NBP will display due caution in its policy on printing money.

#### Central Bank Policies for 1993 Outlined

93EP0122B Warsaw RZECZPOSPOLITA (ECONOMY AND MARKET supplement) in Polish 23 Nov 92 pp 1, 1

[Interview with Witold Kozinski, deputy chairman of the National Bank of Poland, by Piotr Aleksandrowicz; place and date not given: "Budget Is Passive"]

[Text] [Aleksandrowicz] What will be the inflation rate next year?

[Kozinski] We expect it to be at 31 percent, and we will try to keep it at bay.

[Aleksandrowicz] I am warning you that I will recall this prediction in a year's time. Do you still stick to it?

[Kozinski] I think this is a realistic projection.

[Aleksandrowicz] Why does the central bank, having declared that it would protect the currency, allow such a great increase of money in circulation?

[Kozinski] Indeed, according to our projection, the amount of money in circulation will increase by approximately 38 percent next year. Still, it will be less than in 1992, which will have been about 51 percent by the end of the year.

[Aleksandrowicz] How do you feel as a deputy chairman of a central bank which prints such huge amounts of money?

[Kozinski] I am aware of the fact that such an amount of money will cause a proportionate price increase. However, I think that the price increase will take place within acceptable limits. Besides, it will be caused mostly by the introduction of VAT and the increase of the controlled prices [ceny administrowane].

[Aleksandrowicz] Tell me the truth: Does inflation, projected by the Ministry of Finance and the NBP [National Bank of Poland], drive up the supply of money in Poland, or does the supply of money drive up inflation?

[Kozinski] The supply of money drives up inflation, of course.

[Aleksandrowicz] In this case, it is the NBP that is responsible for the high inflation rate, is it not?

[Kozinski] Only if it does not control the supply of money, which is not the case, I think.

[Aleksandrowicz] It is estimated that in 1993 the money supply will increase by 88 trillion zlotys [Z], slated for the state sector, and by approximately Z67 trillion, slated as credits for economy and the population. What do you think about this proportion? Does it mean that the budget still receives preferential treatment?

[Kozinski] I do not agree with those politicians who are worrying that the projected increase of credits for economy and the population is inadequate. We have to face reality—a considerable budget deficit and the diminishing capabilities of the commercial banks to make loans. Therefore, I have no doubt that the credit operations will be strongly determined by the budget and the sale of treasury bonds. The amount of Z67 trillion worth of credits for the economy, included in the 1993 prognosis, may even turn out to be too big and extravagant, if we want to streamline our economy.

[Aleksandrowicz] But speaking in objective terms, do you think that this proportion is correct?

[Kozinski] No, of course. This proportion reflects the government's predicament. In an efficient economy—that is, an economy where the budget deficit (if any) does not influence prices—this proportion would have to be completely different.

[Aleksandrowicz] Nevertheless, the central bank will directly finance the budget, as negative as this phenomenon is.

[Kozinski] It would be unrealistic to think that the central bank can avoid financing of the budget deficit. This would endanger the whole state sector [sfera budżetowa] in the present situation. On the other hand, the central bank could strive to limit the scale of that financing. This means that the NBP has to reduce its participation in the financing of the budget deficit because this only increases inflation.

[Aleksandrowicz] The NBP had planned to buy Z20 trillion worth of treasury bonds this year, but it ended up buying Z42 trillion worth of them. Now you are planning to purchase Z30 trillion worth of those bonds in 1993, having turned down the government's demand to buy even more. But how much will you really purchase? Perhaps twice as much as planned, as it has happened this year?

[Kozinski] It may be true that to spend Z42 trillion on bonds is too much. It may also be true that the NBP has too much latitude with regard to the financing of the budget deficit. So far we have purchased Z30 trillion worth of treasury bonds this year. We are not obliged to spend the remaining Z12 trillion. However, one has to admit objectively that the minister of finance has made a major effort, having reduced some budgetary expenditures. This justifies the continuation of the NBP's financing of the deficit. Still, this does not change my opinion about the passivity of the budgetary expenditures.

[Aleksandrowicz] What do mean by "passivity"?

[Kozinski] I think that the budget is passive in a sense that it supports less and less the restructuring of the Polish economy, especially in the area of investments. The central bank is going to fill that void in a way. We are open to economic initiatives, having slated Z2 trillion for credits to support projects that would effect structural changes in economy. In addition, we want to guarantee loans in the total amount of \$300 million, available from the World Bank. In this way we not only show that the central bank is open to the new initiatives, but we actually do what the state budget should.

[Aleksandrowicz] But is this really the central bank's role?

[Kozinski] It is a controversial issue indeed. However, the NBP top management thinks that one has to watch the economy, instead of staring at it. And we would be just staring at it if the NBP limited itself to performing only the formal duties of the central bank. The shape of the Polish economy demands that the NBP take action beyond its statutory tasks.

[Aleksandrowicz] The NBP's concern with economy is also expressed through its plan to establish the Polish Investment Bank [PBI], is it not?

[Kozinski] As far as the establishment of this bank is concerned, I would like to say very clearly that the we consider the business community's position on this important issue to be an expression of its intentions vis-a-vis the central bank in general. No law has been broken in the process of establishing of PBI. The rumors, according to which the establishment of a trade bank by the NBP was illegal, are nothing more than attempts to prevent us from doing so. I would like to assure you that the NBP will not manipulate the new bank. Furthermore, PBI will be privatized as soon as possible.

[Aleksandrowicz] What can an entrepreneur expect from the loan market in the coming year?

[Kozinski] One cannot expect that the situation on this market will improve. One's access to credit will not be any easier, since the banks show a growing tendency to spend their money on government securities rather than to loan it. The interest rates will not be lowered either. However, I do not agree with a popular view that there are no sensible investment plans in Poland. In my opinion, the banks are too reluctant to get involved in the investment processes. For obvious reasons they feel more secure if they buy the government bonds. This brings smaller profit but makes them feel safe.

[Aleksandrowicz] I understand that you do not approve of the banks' policy.

[Kozinski] Not at all, although I understand it to some extent. Apart from that, I cannot accept the difference between the interest rates of the central bank and rates dictated by the commercial banks.

[Aleksandrowicz] Do you intend to pressure those banks to lower their interest rates? Are you going to introduce the credit index?

[Kozinski] Of course not. The public finances have to be cured first if loans are to become cheaper and more accessible. Telling banks what to do is out of question.

[Aleksandrowicz] The interest rates on deposits are ridiculously low. Do you think that people who had deposited money in the banks should pay some inflation tax?

[Kozinski] I would say that if we could effectively press the banks to lower the interest rates on deposits, this could be done up to the point when there appears a danger of the dollar becoming the unofficial Polish currency again. Therefore, I think that we cannot exclude such a policy as long as the interest rates on deposits are only slightly lower than the inflation rate, and as long as the current ratio between the zloty deposits and foreign currency deposits remains stable.

[Aleksandrowicz] Even though this would make people unhappy?

[Kozinski] Well, it is not sure if this would make them unhappy.

[Aleksandrowicz] What would you tell then to someone who sees that the value of his savings is shrinking?

[Kozinski] I would tell him that the depreciation of the zloty deposits is still lower than the depreciation of the foreign currency deposits or stocks. Therefore, I would advise him to support good, Polish banks.

[Aleksandrowicz] Let's then talk about the exchange rate policy. What in the world is "a flexible, stabilized exchange rate," envisioned by the central bank?

[Kozinski] We do not have a timetable for a sudden increase of the exchange rate, but we have to have some safeguards. Such a sudden increase of the exchange rate may be the only safeguard in a situation where prices change unexpectedly and exports drop, thus threatening Poland's foreign currency reserves. However, one must not equate the flexible stabilization [of the exchange rate] with a full-scale intervention of the central bank in the currency market, which is not going to happen in the nearest future. It may be that the terms which we are using here are not clear enough.

[Aleksandrowicz] The exchange rate is projected to be Z19,000 for one dollar by the end of 1993. But what will be the real exchange rate?

[Kozinski] It may be higher if the fluctuation of the exchange rate is more radical than that dictated by the principle of the gradual devaluation. In any case, the pace of that devaluation cannot be increased, lest Poland's foreign trade operations are upset.

[Aleksandrowicz] Previously I asked you about prospects for entrepreneurs and people who save money. But what may the banks themselves expect in the coming year?

[Kozinski] They may expect the central bank to conduct a policy designed to protect the interests of the commercial banks.

[Aleksandrowicz] In their contacts with the outside world?

[Kozinski] Yes. For example, there is a contradiction between so-called loan insurance and the fiscal policy. The loan insurance increases the banks' own costs, which in turn lower their profits and the state revenue in form of taxes that the banks pay. It is the minister of finance who is responsible for fiscal policy. Yet, despite the fact that the ministry of finance owns several banks, it is the central bank that is responsible for the safety of the whole banking system. That is why the central bank has to exercise a certain pressure, including in the legislature, so that other banks have their loans insured. It is our constitutional duty, if I may say so, to contribute to the creation of a healthy banking system in Poland.

[Aleksandrowicz] The NBP chairman has recently said in public that two banks are on the verge of bankruptcy. Can you tell us more about this?

[Kozinski] I can only say that by now there are more than two banks on the verge of bankruptcy.

[Aleksandrowicz] The Warsaw Western Bank and the Lodz Development Bank are already run by trustees. Are we going to see more of that?

[Kozinski] The chance that more banks will be run by trustees is slim.

[Aleksandrowicz] But the probability that some banks will go out of business...

[Kozinski] ...is much greater.

### Steel Industry Unperturbed by Dumping Charges

93EP0122A Warsaw RZECZPOSPOLITA (ECONOMY AND MARKET supplement) in Polish 21-22 Nov 92 p 1

[Article by Barbara Cieszevska and Tomasz Janowski: "The Accused Remain Calm"]

[Text] Five Polish steel mills might be affected by the antidumping customs fees instituted by the European Commission. It imposed those fees on cast pipes imported from Czechoslovakia, Hungary, and Poland (30.4, 21.7, and 10.8 percent of their price, respectively).

The Commission's decision is one of several recent attempts, designed to protect the EC steel industry. On Wednesday [November 18, 1992], the EC Secretary of Industry Martin Bangemann revealed that the Commission would allocate \$550 million for the purpose of restructuring that industry [in Western Europe].

According to the Polish Ministry of Industry and Trade, five steel mills make pipes in Poland—Czestochowa, located in its namesake town; Jednosc in Siemianowice Slaskie; Andrzej in Zawadzki; Batory in Chorzow; and the Buczek Steel Mill in Sosnowiec. While they made approximately 255,000 tons of pipes last year, their production capacity was twice that figure.

It was the Czestochowa Steel Mill that produced the largest amount of pipes (about 88,000 tons) in 1991. Piotr Regucki, director of the Czestochowa's foreign sales office, told RZECZPOSPOLITA that his factory exported approximately 30 percent of the pipes it made. He emphasized that the Steel Mill was in a good shape because two thirds of its exports went to the post-Soviet republics. Besides, the prices of items sold on the Polish domestic market were similar to those of the exported products. "In some cases, the prices of items sold in Poland are higher than those of the exported ones, but it is because we make a big profit in Poland. We certainly do not export our products at prices below their production costs." Director Regucki expressed his hope that the Steel Mill would continue its exports at the old prices, while the additional costs, resulting from the new customs fees, would be picked up by importers.

The director of the Jednosc Steel Mill in Siemianowice also reacted calmly to the news about the increased

customs fees. "It can make our export contacts more difficult, but we do not export a large quantity of these pipes any way—about 100 tons monthly, which brings in 3.5 to 4 billion zlotys," Kazimierz Sada told RZECZPOSPOLITA.

The director of the Jednosc Steel Mill is not worrying that exports will decrease because Poland was "punished" with the lowest customs fees, compared with its neighbors. The current prices allow the Mill to make a five to ten percent profit in Western markets. "It is not up to me to decide whether these are dumping prices or not."

Initially, the fees are supposed to be in force for four months, unless the final decision is made before that time runs out. In the meantime, the European Commission is supposed to conduct an investigation. RZECZPOSPOLITA has learned that the procedure of that investigation is supposed to be worked out by December 1, [1992]. According to the German daily DIE WELT, the prices of pipes imported from the former East Bloc are 30-50 percent lower than those which the EC manufacturers charge.

The foreign trade center Stalexport from Katowice is supposed to represent the Polish exporters. It will use the help of a Brussels attorney during the investigation. Ryszard Harhala, director of Stalexport, told RZECZPOSPOLITA that in the situation where the Polish steel industry is only gradually restoring its position in the Eastern markets, the Polish exporters should strive to enter the West European markets as well. "However, we try to conduct an export policy that would open the EC markets for us while not disorganizing them at the same time."

Director Harhala has emphasized that Poland's share in the East European exports to Western Europe amounts to only a few percent, and is much smaller than that of Czechoslovakia, Hungary, and Croatia. In addition, he described DIE WELT's estimates as grossly exaggerated. "In many instances, our products do not come in such a variety and quality as those offered by the German or French steel mills. Therefore, it is difficult to compare their prices."

The spokesman for the Czestochowa Steel Mill hoped that the investigation would lead to the lifting of the customs fees on the Polish-made pipes within four months. "It is nothing more than protectionism on behalf of the West European manufacturers who make pipes of similar quality while having much higher production costs," said P. Regucki. Director of the Jednosc Mill emphasized that the Polish steel industry can still export its products to the Eastern markets.

Let's recall that the European Commission became concerned by the steel exports from the three countries in question already last year [1991]. Even the signing of the European Treaty was delayed because Spain wanted to include special clauses that would allow it combatting the economic competition. The antidumping probe



began on December 23, 1991, when the three countries in question were still considered only the "trading countries," not the market economies. The investigation was not affected by the commencement of the temporary trade agreement on March 1, [1992], because the European manufactures objected only to the dumping practices, not to the overflow of markets with steel. However, the EC representatives have admitted that as recently as a year ago they did not realize that the restructuring of their steel industry would be so costly and time-consuming. In their opinion, the cheap East European exports make that restructuring more difficult.

Czechoslovakia and Hungary, as well as the West European steel importers, have reacted even more angrily to the decision of the European Commission. Philip Toor, director of the Future Steel Trading (the main importer of the Czech steel), told FINANCIAL TIMES that it was the competition between the West European steel manufactures that contributed to the falling steel prices. "The East European manufactures are still too insignificant to affect the market. But they are a convenient scape goat for the EC manufacturers who want to eliminate the competition," said Toor.

In turn, Vladimir Petr, director of the metallurgy department in the Czech ministry of industry, challenged the EC data and called the dumping charges "unjustified." A similar reaction came from Hungary, where the Csepel Steel Works (the only manufacturer of the cast pipes) was hit with a 21.7 percent customs fee. The Hungarians described the Community's decision as an example of the EC strategy, which professes assistance to Central Europe while creating barriers for the branches of the Central European industry with the best export potential.

#### **Interest-Rate Decline Makes Depositors Uneasy**

93EP0111A Warsaw RZECZPOSPOLITA (ECONOMY AND MARKET supplement) in Polish 30 Nov 92 p 1

[Article by Pawel Jablonski: "Decline in Confidence in the Zloty: How and How Much To Save"]

[Text] In recent months, banks have been lowering interest rates on new deposits more and more often, despite the fact that inflation has maintained a relatively high level.

Witold Kozinski, vice president of the National Bank of Poland, said in an interview for RZECZPOSPOLITA (No. 275) that the phenomenon of interest rates on deposits decreasing below the inflation rate is advantageous until depositors start saving dollars instead of zlotys. Also, the budget bill for the next year proposed in the Sejm predicts a decrease of credit costs; this must cause a decrease in the interest rates of the banks' investments.

How will society react to such plans regarding their savings? Is it worth counting on the growth of savings? According to surveys done in November by DEMOSKOP, currently one-fourth of society have

incomes that do not cover the needs of everyday life. Only approximately 11 percent of the citizens save—usually small amounts of money. On the other hand, according to surveys done by the Social Research Laboratory, one fifth, or 21.1 percent, of 943 surveyed persons found that, during the past six months, their families were able to save some money. Of course, people with the highest incomes have the most savings. Most frequently, people who work in private enterprises and who belong to the management staff or work for their own companies can save money. The biggest money savers are men (age does not play any role here), big-city dwellers (the larger the city, the higher the probability of efforts to save), and often followers of the Democratic Union.

According to DEMOSKOP's research, the number of savers should increase a little during the next year. Of those surveyed, 13.3 percent believe that during that time they will be able to save some money. Comparing this to the current situation, when 10.9 percent of the surveyed save money, it shows some increase, but not a significant one. For the national economy and the needs of the budget, more significant are the forms of savings preferred by citizens. Last November, more than one third, or 34.7 percent of those surveyed, believed that there were no possibilities of investing money in a way that would bring profits. An equally large group held the opinion that the best way to save money is to keep foreign currency. Only one-fifth of the surveyed said it was most advantageous to save zlotys. Almost no one wanted to invest his money in shares (only 3.6 percent) or government bonds (3.5 percent). These data look very disturbing. They show a decrease of confidence in the zloty. It is worthwhile, however, to notice that confidence in our currency increases along with the earnings of the person surveyed. A lack of attention to government bonds can be a serious threat to plans to support the budget with money gained directly from citizens. The fact that people with higher incomes believe more often in government bonds can give some assurance to the Ministry of Finance. But, even among these people, only 14.9 percent think bonds are the best form of saving.

These present moods, which are not advantageous for the Polish currency, could deepen if banks continue to lower interest rates. From surveys done by the Social Research Laboratory, we read that, if banks continue to lower interest rates on term investments by approximately 25 percent over a year, only one-fifth of savers will put their money in banks. One-third of those surveyed will stop saving entirely. Another third (of those saving) showed a lack of interest in this matter; one can think these would search for ways to invest their money other than in banks.

Prognoses for high inflation rates in the next year are not good for building confidence in our currency. According to DEMOSKOP, 30.9 percent of those surveyed believe that, in the next year, prices will grow even higher than this year. The survey done by the Social Research



Laboratory shows even worse expectations. According to the survey, 40 percent say next year's inflation will reach more than 50 percent. Inhabitants of cities of 50,000-200,000 people have the most pessimistic view in this matter. It is also significant that nearly half the managerial personnel—persons who lead enterprises—also expect inflation next year to be more than 50 percent. Farmers, traders, and unskilled workers are big pessimists. Only 12.7 percent of society believes that government plans will be achieved—that is, that inflation will not be higher than 33 percent (in the budget proposal it is 31 percent).

The structure of savings accumulated in the past six months by those surveyed is of interest. Contrary to expectations, it does not look like a pyramid: The group of people who saved the most—over 4 million zlotys—is also the largest, constituting 33.1 percent of the savers. Among different occupational groups, farmers, private entrepreneurs, and housewives most often declared that they had put away large savings.

It would seem that the social survey results presented above could pose a certain threat for the program of granting credits to the economy and the budget at the expense of personal savings. Many families do not have anything to put away. According to DEMOSKOP's surveys, currently only one-fourth (26 percent) of those surveyed see any sense in saving. A decrease, or even elimination, of profits from sensible investment of savings could result in people believing that, once again, as was true in years past, one's financial surpluses were best designated for the purchase of goods.

### **Amount of Time Spent Job Hunting Increasing**

*93EP0105B Warsaw POLSKA ZBROJNA in Polish  
3 Dec 92 p 1*

[Article by Andrzej Wasiak: "Anatomy of Unemployment: Two Employed Pay for Three Without Work"]

[Text] Vice Minister Michal Boni considers the most disturbing phenomenon on the labor market to be the increase in time spent hunting for employment. Thirty-five percent of the unemployed have been looking for more than a year. While the growth in unemployment has been declining in the past few months, a complete halt to that growth will be possible only in the coming years.

The dynamic systemic changes that are taking place—the building of a market economy—are fundamentally changing the situation in the labor market. Two expectations arise and, in turn, new statistical tasks. The Central Office of Statistics [GUS] has taken up the task of creating a modern system of information about the labor market; the study of the economic activity of society is one part of this. Methodology recommended by the International Labor Organization was used in these studies.

"We have approximately 150,000 people on the market," explained Prof. Janusz Witkowski, director of the Department of Labor and Personal Income at GUS, "who are not looking for work only because they have decided that they do not have any chance of finding work. A further 170,000 are occupationally passive. They would like to get jobs and are looking, but without results. These people are additional potential unemployed—perhaps due to fate. Finally, there are 350,000 people who say that, in the near future, they will begin looking on the labor market."

The professor is particularly disturbed by the level of unemployment in the 18-19 age group. In May, it was just over 30 percent and now reaches 45 percent. And these are young people, looking for work for the first time. Some specialists, however, claim that the young are more flexible, ready to retrain.

From 1990 to August of this year, 3.5 million people have been without work one or more times. This means that every third family has encountered the problem of unemployment directly or indirectly. The most threatened by loss of employment are youth, urban dwellers, women, and workers in industry, commerce, and construction.

Today, every 1,000 workers support 1,500 unemployed or occupationally passive. Three years ago, there were 300 fewer supported.

Employment in agriculture is increasing, though it has been far too high for a long time. At present, 23 percent of those occupationally active work in the countryside, while, in EC countries, only 7 percent do so. The numbers of two-job workers, part-time workers, and handicapped people with employment are also increasing. Over a million people are working while looking for other employment.

We have industrial-sector employment comparable to that of EC countries; significantly fewer people, however, work in our services. In the West, the percentage of people so employed is 62 percent; here, it is 20 points lower. Even if all of our unemployed were to work in service jobs, barely 50 percent of those occupationally active would be so employed. Considering the relatively low cost of a position in that area, perhaps it would be the solution to this burning problem.

### **Cooperation With 27 Nations To Combat Crime**

*93EP0114B Warsaw RZECZPOSPOLITA (EVERYDAY  
LAW supplement) in Polish 30 Nov 92 p 1*

[Article by J.O.: "Treaties With 27 Countries: On Criminal Matters"]

[Text] Poland has concluded with 27 countries treaties on legal assistance in criminal cases. This is markedly facilitating cooperation among their systems of justice. These countries must simply implement their adopted

obligations. [Other countries] also are providing assistance of this kind on the principle of reciprocity. This is happening, e.g., between Poland and Germany on a considerable scale even though they have not concluded such a treaty.

The Polish code of criminal procedure specifies that the following indispensable pretrial activities may be performed as part of legal assistance: delivery of writs to persons residing abroad or institutions sited abroad; interrogation of the accused, or hearing of witnesses or experts; inspection and search of premises and persons; confiscation of objects and their transmittal abroad; summoning of persons resident abroad to voluntarily present themselves personally before a court or a public prosecutor with the object of being heard as a witness or participating in a confrontation, as well as escorting for this purpose persons imprisoned at the time; provision of dossiers and documents as well as of information on the criminal record of the accused.

As we learned at the Ministry of Justice, our most frequent practice consists in the delivery of rulings and notices. Poland avails itself fairly often of the legal

assistance of other countries; our motions are most often in response to proceedings conducted in connection with the theft of motor vehicles by Poles abroad. Thus, verification of the fact of theft and examination of witnesses are requested. We also fairly often ask for foreign assistance in cases of business crime, especially smuggling.

Polish motions are most often addressed to neighboring countries as well as to the countries of Benelux, where our compatriots have been stealing quite a few motor vehicles.

It is difficult to cite any figures reflecting the scale of this phenomenon, because in the case of some countries the agencies initiating judicial proceedings contact directly their foreign counterparts without using the ministry's mediation.

At the moment, negotiations on agreements for legal assistance are underway with the former Soviet republics adjoining Poland, in order to replace the still binding agreement with the former USSR.

**Controversy Over Iliescu's News Conference Remarks****'Ideological Intoxication' Charged**

93BA0396A Bucharest DIMINEATA in Romanian  
1 Dec 92 pp 6-7

[Passages from President Ion Iliescu's news conference on 26 November 1992]

[Excerpts] [Lucaci] Mr. President, in France you spoke of ideological intoxication by the press and some politicians. If you are agreeable, please give us more details about that comment. [passage omitted]

[Iliescu] In connection with ideological intoxication, I find all these discussions entirely pointless and useless, as well as maintaining an attitude of general suspicion about the status of certain persons and the view that in general those who were in any way connected with or had responsibilities in the old regime are guilty in some sense—although, if we examine these cases closely, such accusations and attitudes of suspicion are relative. It is sufficient that a man, regardless of the positions that he held as a former member of the CC [Central Committee] and a deputy in the MAN [Grand National Assembly] with management positions in Television or a press reporter elsewhere, suspected of activity in the Romanian Security Service and expelled by the state where he was performing that activity, who is now an active member of the opposition and manages a periodical engaged in an activity of constantly poisoning Romanian public opinion, is already exempt from suspicion of any kind in connection with his past. If he is a member of an opposition party, the PNT [National Peasant Party] or the Convention, it no longer matters that he was party secretary and that he held public office. He is absolved of all his sins. Otherwise he would always be a target of general suspicion. That reflection on the international level takes on similar connotations. The fact that for 20 years Iliescu was a troublesome person, was considered troublesome, and was regarded with suspicion by the political leadership of the country is no longer important. It is mentioned that 20 long years ago he was Central Committee secretary, but this fact is not mentioned in the case of Mr. Tudjman, who was a general in Tito's army, or in the case of Mr. Boris Yeltsin, who until several long years ago was a member of the Politburo of the CPSU [Communist Party of the Soviet Union] ... [passage omitted] We are currently facing problems that are far too serious to allow ourselves to cling to such an outlook and such prejudices any longer. Come, let us get past those terrible times and find the way to reconciliation. Many have talked about this matter and about joining forces in order to consider and solve the difficult problems facing Romanian society, to consolidate the political processes through which we have gone, and to take up the difficult problems of transforming the economy with which we are confronted. [passage omitted]

**Columnist Answers Charges**

93BA0396B Bucharest ROMANIA LIBERA  
in Romanian 30 Nov 92 p 1

[Open letter to Mr. Ion Iliescu by Octavian Paler: "The Cotrocenization of Slander" [President Iliescu's office is at Cotroceni Palace]]

[Text] Comparisons between the two of us never interested me, especially since I hardly see what we have in common. And yet, when I watched your last press conference I was amazed to find that without mentioning me by name you ventured to make such a comparison. Actually, to be frank, I did not concern myself with your past. It is not to my credit that I come from the prewar Romanian village that you loathe with such sincere Marxist conviction nor is it your fault that you were brought up to proclaim that you had "the good fortune to study in the Soviet Union." Moreover I am not one of those who reproached you for your past history. I have continually blamed you for something else, for the enormous evil that you have done since the Revolution, as my articles stand witness. Furthermore I am convinced, as I have also declared, that in my opinion the distinction that we need is not between "the pure" and "the impure" but between the executioners and the victims, and that the guilt of today is the more serious because there is no longer any excuse for it. And finally, I have never been anything but a journalist and a writer, while you evolved into other fields, those of the activists and the "professional revolutionaries." But because you have tried to wipe out your memory as usual and to pose as a victim of "ideological intoxication," I feel I must ask you what parallel can be drawn between my peak professional positions (vice president of Romanian Radio-television, from which I was removed, and editor in chief of the daily ROMANIA LIBERA, from which I was ousted in 1983 and have not had any job at all) and the high decision-making levels to which you rose when you were Ceausescu's pet. Did I ever investigate students for "hostile manifestations?" Was I first secretary of the CC of the UTC [Central Committee of the Union of Communist Youth], that is the spearhead of the effort to place the country's youth at the service of the Communist Party? Was I secretary of the CC of the PCR [Romanian Communist Party] and a deputy member of the Political Executive Committee of the PCR, that is in the center of the organization of the nightmare? Was I secretary of the Timis County Committee of the PCR and first secretary of the Iasi County Committee of the PCR, in other words governor of a county? Was I in charge of the Iasi County Securitate for years on end, during which the Securitate busied itself not only with driving people to despair but also with the lives of some of them? Was I a minister? Did I receive a salary in any single month for activities other than professional ones? Of course I do not pride myself on taking part in an enslaved press, but why do you place yourself on the same level with journalists and writers who were on the CC on the basis of professional criteria, as I was but only as a deputy member and only from

1974 to 1978? And did you ever hear me speaking at the rostrum in those four years, at the end of which I was eliminated—a fact which, let it be said in passing, seemed quite logical to me? Did you ever hear me speaking at any conference or deliberation among those that were followed by panegyrics in the press? And since you are boasting freely about your critical attitude, can you quote to me not volumes, as I can quote to you, but even one single printed sentence before 22 December 1989 in which you came out against the dictatorship, even by allusion? And can you quote to me a single statement made after the Revolution indicating that you acknowledged any guilt or that you are ashamed of anything, even of the smiles you exchanged with Ceausescu? In short, how are we alike? Not even in our ambitions. I do not want to be anything but a writer who occasionally comes out of his solitude to say what he believes. I see that you like to consider yourself a symbol rather than an official. And I do not want to open another discussion here because there is in fact a precise reason for my consternation. How is it possible, Mr. Iliescu, for you to profit by the office to which you were elected in order to spread slanders due, pardon me, to the pathology of delirium—something which your acolytes can utter as private persons but you cannot as president of Romania, in the absence of any justice capable of protecting from slander those of us who think differently from you? You will agree, I hope, that the hatred you harbor for those who “are of another opinion” is no excuse for spiteful slander, and that the principle formulated by the Inquisition in the 16th century, literally “We consider heretics those who do not approve of our opinion,” cannot operate officially in Romania today. I assume then that you have a mastery of words and that you know what is meant by “expelling” somebody from a country and how easily something like that can be checked. Actually, I can imagine from what extremist publication you fished that laughable fabrication, but that does not interest me. Since you took it, it obligates you. Consequently I feel I am justified in expecting either a public apology or evidence that you were not lying. Otherwise, I will feel compelled to conclude that the president of Romania is given to defamations that are subject to criminal law.

#### Pro-Iliescu Daily's Reply

93BA0396C Bucharest DIMINEATA in Romanian  
1 Dec 92 pp 1, 3

[Article by Constantin Duica: “The Palerization of Infamy”]

[Text] All of a sudden Mr. Octavian Paler feels he was targeted by Mr. Ion Iliescu. Was he really targeted? Perhaps he was, and felt the need to compare himself with the elected president of Romania. So that this comparison would not be disadvantageous to him, he flatters himself from the start becoming, as he does on certain occasions, a self-satisfied personage full of self-admiration. How could he do anything else but “insinuate” accusations already made—while also perpetrating

a falsehood to the effect that Mr. Ion Iliescu opposed the students: We repeat, Mr. Iliescu was head of the students a year after those events)—and then ask some questions in the old style? Was I that one, was I the other one...? No, Mr. Paler, you were who you were, as far as an individual of your calibre could rise. Colleagues who worked under your supervision have told us that you were just as odious and that there were not very many who had confidence in the slippery person that you were—and are. You have not changed.

You fled from the University on the evening of 21 December 1989 because you were afraid, as you admitted. With tens of thousands of youths at your side, you were afraid. Are we to believe that in 1980-83 you were braver in your solitude? Whom did you appose? D. R. Popescu, to whom you wrote with reckless courage? The point about dissidence does not hold water, Mr. Paler. You are intelligent enough to understand that. And then you are left with slander, insults and infamy. Your boundless pride and poverty drove you into the arms of P. M. Bacanu, managing to be loyal to him to the end. Like nocturnal insects, always attracted by sources of bright light, you naturally ran to Mr. Ion Iliescu first, in connection with whom you could satisfy all your pride. And in what did you succeed? In being an ordinary liar, for what else are you when you declare, with emphatic rhetoric, “I do not want to be anything but a writer who occasionally comes out of his solitude to say what he believes.” A falsehood. Out of what solitude? While writing articles almost daily, how do you manage to do it “occasionally?” If you just wanted to be a writer, the writers themselves would have elected you to lead them. They did not elect you because they did not want you. Must we tell you why?

You tell Mr. Ion Iliescu, “I see that you like to consider yourself a symbol rather than an official.” Oh, how you would like to be one! (Will you please tell us how many votes you got in May 1990?) You would even sell your brother in order to be one! Why wouldn't a politician like to be a symbol if he had entered public life? And what are politicians if not symbols? The difference between you and Mr. Ion Iliescu is “brutal this time.” He is indeed a symbol and it is normal for him to be glad that he is and to find that even individuals like you recognize it.

Also, the Constitution itself lends Mr. Iliescu this symbolic character.

You have spoken just one truth, Mr. Paler, inadvertently of course, to the effect that our justice is still incapable of protecting us from slanders uttered by... well, by scandalmongers like you. Actually, what did Mr. Ion Iliescu say? Truths known to everyone, namely that there are newspapers that misinform and of course individuals who write such newspapers, that the English-language edition of ROMANIA LIBERA is a rabid denigration of the country and of Mr. Ion Iliescu as a man and as the elected president, and that some, who were bureaucrats just as he was—but for the fact that they suddenly shifted to the opposition and declared themselves as such—are

absolved of their "youthful sins," while President Ion Iliescu is still the target of their vile attacks.

Did Mr. Paler have a reason for exploding like a dumping in the "soup" of his own newspaper? Any normal man would have kept silent or would have tried to justify himself. Not Mr. Paler. Who else is like him, the perfect man, a true symbol of... Well, if we had to use Mr. O. Paler as a symbol we would be hard put to know what he could be the symbol of. And if the time is right to invent words, we too have invented one: It's in our title.

### Measures To Ease Hardships of Unemployment

93BA0393B Bucharest TRIBUNA ECONOMICA  
in Romanian 27 Nov 92 p 8

[Interview with Constantin Alecu, state secretary in the Ministry of Labor and Social Protection, by Mircea Serb; place and date not given: "Social Protection as an Imperative of a Market Economy"]

[Text] [Serb] Mr. State Secretary, to begin with please report on the present state of the labor force in Romania.

[Alecu] Information received from the National Committee on Statistics indicates that out of the total 13,397,000 persons of working age at the beginning of this year 10,785,800 were employed in all sectors of the economy. The difference consists of the school population of working age, domestic personnel and persons in search of work. As of 1 July 1992 there were 6,516,700 employees, of which 5,982,000 were active in the public sector, 150,700 in the mixed sector, 356,200 in the cooperative sector, and 27,600 in public activities as employees. The structure of the employed population is as follows: industry 3,102,300, energy sector 162,600, salaried agriculture 511,000, construction 424,100 and trade 422,600 and tourism 509,626. At present there are 955,758 employees in the private sector, including 69,017 in industry, 11,740 in construction, 16,721 in agriculture, 168,277 in trade and tourism and 90,000 in other sectors.

[Serb] Please also report on the use of the labor force in industry.

[Alecu] At the end of 1991 labor productivity was down 12.6 percent, while time actually worked per employee was down 6.2 percent. The average work week per employee declined from 37.4 hours in 1990 to 35.9 hours in 1991. Working time was less efficiently used in a number of sectors, as for example in extraction and preparation of metal-bearing ores, the textile industry, the textile garment industry, furs, leather goods and production of footwear, and machinery and electric appliances, where the work week averaged less than 35 hours, with all its economic and social consequences to be sure.

[Serb] What are the chief characteristics of unemployment in Romania after about two years of enforcement of Law No. 1 of 1991?

[Alecu] At the beginning of November, 360,375 persons were registered for and obtained unemployment aid, in addition to 282,500 more whose period of economic aid has run out and 82,335 more who are registered at the labor force offices, who are requesting support in order to be hired, and who do not benefit by the provisions of Law No. 1. Under these circumstances the unemployment rate in Romania was 8.3 percent at the beginning of November. The number of unemployed has steadily increased. As of 31 December 1991 we had 265,900 persons on record, amounting to about 3 percent (the unemployment rate was 3 percent compared with 8.3 percent in November). Accordingly, the number of persons who could be given jobs is 108,300, but that is very low compared with the total number of unemployed. It can be said that the losses of jobs have been much greater than the hirings, and that we are confronted with chronic unemployment. Out of the 800,000 who were unemployed when the law was passed, 282,500 were in a chronic period of granting unemployment aid. Accordingly, we have succeeded in placing only 108,300 while the economy has provided us with few jobs.

[Serb] What segments of the population suffer most from the unemployment phenomenon?

[Alecu] Unemployment affects youths primarily. Out of the total registered unemployed receiving unemployment aid, 41 percent are younger than 25, 14.5 percent are between 25 and 29, and 23.1 percent are between 31 and 39. The segment from under 25 to 39 amounts to more than 75 percent of the total unemployed. About 70 percent of the 519,319 unemployed are women, so that while women account for 40 percent of the total employees, they amount to more than 70 percent of the total unemployed. That means that women are the most affected. Moreover, in the youth category girls are the most affected. The majority of the unemployed are workers or come from the working class. The trades where they lost their jobs are those of fitters, garment workers, turners, agricultural machine operators, electricians, drivers, welders, weavers, and carpenters. Accordingly, light industry trades, construction, iron and steel metallurgy, and chemistry are the sectors that are now confronted with problems in their activities.

[Serb] How does unemployment in our country compare with that in other European countries?

[Alecu] It is acknowledged that this stage of transition to a market economy cannot be crossed without the appearance of the unemployment phenomenon, which we cannot avoid, but which we can attenuate. Compared with other countries in transition to a market economy, or with other countries that have recently passed to a market economy, I can say that the phenomenon is not as serious. From the data we have we can say that among the countries that have recently passed to a market economy Poland has 9.4 percent unemployment and Bulgaria has 10 percent. Among countries with traditional market economies, Spain has 15.7 percent, Italy has 11 percent, Belgium has 9.7 percent, Denmark has

9.7 percent, France has 9 percent, and Germany has 7.2 percent. Therefore, compared to Western countries and countries in economic conditions similar to ours, our unemployment rate is below those recorded in those countries.

[Serb] What measures have been taken to attenuate this phenomenon?

[Alecu] I will begin with the legislation. Continuing improvements have been made in Law No. 1 of 1991 on social protection of the unemployed and their occupational rehabilitation, partly by prolonging the period of granting unemployment aid from 180 to 270 days. That extension has increased the economic agents' contribution to the formation of the unemployment fund from 4 to 5 percent. In addition, a support allowance was enacted extending over a period of no more than 18 months, with a possibility of qualification or requalification, for persons whose period of unemployment aid has expired. Those persons are continually helped to find jobs. It is a matter of Law No. 86 of 1992, which amended and supplemented Law No. 1 of 1991. Furthermore the law on hiring graduates of higher, secondary, and postsecondary education graduating in 1991-1992 was drafted and ratified, encouraging economic agents who hire those graduates by granting them monthly, out of the unemployment fund, 70 or 60 percent of the gross minimum wage indexed for the country for a period of nine months (Law No. 87 of 1992).

[Serb] What organizational measures have been taken to implement the legislation?

[Alecu] The instructions for implementing the government's laws and decisions on the labor force and unemployment have been revised and improved. Measures have also been taken to improve the performance of the labor force officers and for payment of unemployment aid. Administration of vacant jobs has been organized and every effort is made to make them known. As for the fund for unemployment aid and the outlays in connection with it and with qualification and requalification, we can say that there is now enough money to support the number of unemployed, which has been estimated at 1-1.1 million by the end of the year (now about 900,000). We do not think that sources outside of those specified by the law, namely the state budget, will be resorted to.

#### **TAROM Spokesperson on New Planes, Expansion**

93BA0393A Bucharest TRIBUNA ECONOMICA  
in Romanian 30 Oct 92 p 10

[Interview with Carmen Radulescu, TAROM spokesperson, by Ion Vasilescu; place and date not given: "TAROM Company Seeks Alignment With International Standards"]

[Text] [Vasilescu] My dear Mrs. Radulescu, the TAROM [Romanian Air Transport] Company is making sustained efforts to modernize its activity. What can you tell us about the effort to provide the company with planes with better performances?

[Radulescu] On the eve of the 21st century, it is necessary to replace the two training planes in the inventory of the SC [Central Station] of the TAROM Company with three training planes. In order to really cope with the competition, Romanian Air Transport (a national company) must have new, modern, and safe planes of western manufacture in its inventory. We have almost taken the first step to that end: Two of the three A-310 airbuses contracted for two years ago will be in Romania in November 1992. The second step would be the order for seven B-737 planes our company placed with Boeing, which is being filled. TAROM's board of directors has been prospecting the international market in order to re-equip its fleet with planes that are most suitable for the company in all respects. This does not mean just any expansion whatever of TAROM's fleet, but rather an alignment (or adjustment) with the company's route and traffic structure and also with the international standards for thresholds of noises and hazards.

[Vasilescu] Please report on the progress of the contract for the airbuses.

[Radulescu] The contract with Airbus Industrie was the first contract signed directly by TAROM with a firm making planes (through 1989 it was done through Tehnoimport). The difficulty was that the contract signed in 1990 did not specify who takes care of long-term financing. Failure to mention that created a series of problems for TAROM: (a) ensuring or guaranteeing the financing of the equipment by the three big credit agencies in the states participating in Airbus Industrie (France, Germany, and England) and (b) covering the long-term financing by government guarantees from Bucharest.

For objective reasons (unification of the rates of exchange of the dollar in November 1991, blocking of foreign exchange in the bank and its conversion to lei, etc.), TAROM was late in fulfilling the obligations it had assumed. Nevertheless TAROM managed to make the entire downpayment of \$30 million, and after the negotiations that were held that downpayment was taken into consideration by Airbus for the first two A-310 planes, which will arrive in Romania in November.

The credit agencies in the three said countries were finally convinced that TAROM is solvent, and in September 1992 the last agency, the one in Great Britain, also assented. The government guarantees for long-term financing were also obtained immediately. It is a matter of \$117 million payable by TAROM in installments over 12 years.

[Vasilescu] What is the delivery and flight schedule of the planes?

[Radulescu] The first A-310 (in TAROM's colors of white and blue), after a day's flight at Toulouse, will set out for Zurich, where it will stay for one or two days for changes upon delivery (standard procedure) because Swissair is the one that is helping us in the work of maintaining the planes and instructing the navigating personnel. The first A-310 will be in Romania on 13-14 November, followed by the second one in two or three days. TAROM's first flight in the A-310 will be on about 15 November, and after several flights in Europe (for repeated landings and takeoffs) it will be flown to Bangkok, Singapore, Karachi, and Beijing, and after 20 December... across the ocean to the United States. The A-310 will be equipped for tourist and business classes.

[Vasilescu] What can you tell us about the TAROM Company's contracts with the Boeing firm?

[Radulescu] The Boeing firm came up with the best offer on the international market at the present time and also accepted two very important clauses of TAROM's, namely that the long-term financing would be incumbent upon the producer company and that there would be a package for the Romanian aeronautics industry, namely the manufacture in Romania of spare parts or components for Boeing. In the first phase this package amounts to \$11.2 million, but if Boeing is satisfied with the quality of the products, the package can reach \$100-\$200 million, in time of course. As for the long-term financing, the contract will be void if Boeing does not confirm the financing by 1 November 1992 (that is with the crediting agency). We, the TAROM Company, have observed our commitment by obtaining the government guarantees for the long-term financing. It should be mentioned that the fuel consumption of both the Boeing and airbus planes is half that of the planes of former Soviet manufacture in our inventory. Moreover the overflight fees as well as the airport fees are less for the new planes than for the old ones.

[Vasilescu] Please give us some details about the A-310 airbus.

[Radulescu] The A-310 is equipped with two turbojet engines and has a fully pressurized fuselage and an independent range of 9,000-9,700 km. It is accordingly a plane in the long courier class. Its optimal cruising speed is 850 km per hour and its maximal speed is 980 km per hour. Its optimal operating altitude is 35,000-37,000 feet. The A-310's, which will soon be in TAROM's inventory, can carry 209 passengers (189 in the tourist class and 20 in the business or Europe class) and a cargo of 25 tons. The plane is equipped with eight tanks for 60 tons of fuel. The crew consists of two pilots and eight stewards (stewardesses). The passengers, very comfortably seated, can view video programs on six separate screens. In-flight information about the flight is also available, such as latitude, longitude, wind velocity, external temperature, distance to the destination etc. The A-310 is provided with ultramodern equipment meeting the latest international regulations on emergencies, including evacuation of passengers. The TAROM

Company intends to use the A-310's for regular runs to the Far East and the United States and also to Canada, Japan or Australia. The A-310 will inaugurate the "business class" in Romania.

[Vasilescu] And what can you tell us about the Boeing B-737?

[Radulescu] If the whole plane is used for the tourist class, the B-737 has a capacity of 144 seats, while if there is a business class the compartment reserved for it has 12 seats. The plane has a cruising speed of 750 km per hour and a maximal speed of 800 km per hour. Its cruising altitude is 31,000 feet, and its maximal altitude is 39,000 feet. Its independent range with a maximal commercial load is 2,500 km, which places the plane in the medium courier class. Its crew consists of two plus four persons. The plane is provided with modern navigating equipment, which permits flights on "Airnav" routes (narrow lanes) in conformity with the policy of restructuring the air space, which will be implemented beginning in 1995. There are audio systems aboard the B-737's.

[Vasilescu] What was the company's economic efficiency in the last period?

[Radulescu] In the first eight months of 1992, TAROM realized incomes of \$60 million, but it also incurred costs of \$50 million, which were largely spent on fuel. Fuel consumption accounted for 47 percent of the cost of one hour of flight on the former Soviet planes. The most profitable routes so far have been those from Bucharest to Karachi, Beijing, and New York among the long courier ones; and those from Bucharest to London, Paris, Rome, and Amsterdam (and return) among the medium courier ones. New routes are planned that will also be included this fall and winter, namely from Bucharest to Bahrain to the Maldive Islands (not the Malvinas!), and we might also organize a route to Saudi Arabia, but it has not yet been determined. For the last six months the average passenger traffic on the TAROM Company's foreign flights was 59,315 passengers. Our company intends to adjust the quality of its services to the standards of the modern civil aviation companies.

#### **Minister on Domestic, Imported Waste Disposal**

93WS0082A Bucharest ROMANIA LIBERA  
in Romanian 23 Oct 92 p 7

[Interview with Marcian Bleahu, minister of the environment, by Olga Micu; place and date not given: "We Also Have Our Wealth: Waste of All Kinds"]

[Text] During Ceausescu's time, the pollution situation and as a result, information about the systematic deterioration of the environment, were a forbidden topic. Toward the end of his rule, thanks to the warnings sounded by foreigners, we also found out that Romania imported particularly toxic wastes. The responsibility for the Sulina affair was placed on some simple administrators of party instructions; the truly guilty are even today honorable people....

After December 1989, Romania underwent a staggering decline in all aspects of life. The only "wealth" accumulated during this time was waste materials. Their acquisition has become a source of riches for exporters, for importers, and for middlemen. In the absence of a coherent legal framework, the role of the minister of the environment has remained that of a supernumerary in the complex problem that would have required him to play a central role, and that would have given him a collection of strong levers with which he could intervene to throttle the mafioso networks that are threatening the health of the entire nation. And obviously, with which he could rally commercial interests to that cause, as well as the participation of public opinion to protect the environment and safeguard survival. In what follows, we offer a revealing picture of the distribution and level of danger of the wastes inventoried so far in our country.

#### **"We Need Collaborators, Not Accusers"**

[Micu] Minister Bleahu, you rebuked us for having made a mistake in the article "The Waste Materials Affair Remains Dirty," and you have asked us to correct it.

[Bleahu] You wrote that because the first report was inconclusive, Parliament returned it for completion and even rewriting. In reality, in accordance with the prime minister's Decision No. 53 of 28 May 1992, an interministerial commission was formed, which carried out an investigation in collaboration with German experts, resulting in a report given to the government on 17 July. The report led to Government Decision No. 340, complemented with Decision No. 437 regarding the importation of wastes and the monitoring of imported goods. On 13 July, Parliament requested from the government information about the wastes that existed in the country, not only in Sibiu, and the prime minister in turn asked the ministries involved to draft a response. The response was written on the basis of the previous report and updated. It was delivered to the government and discussed at the 26 August session, presented in a press conference, and forwarded to Parliament.

[Micu] ...Which was on vacation. And which in any case, did not have time to discuss it during the short autumn parliamentary session. But I must present my apologies for the error. The confusion was possible because I linked it with your statements to Parliament regarding this problem, in which you said you were the victim of political games....

[Bleahu] No, no, that was only a response to several questions from Parliament. Maybe a new report should have been written rather than adding to the first one, but I did not want to put myself in the limelight about the important government decisions that had been taken. On the other hand, everyone considers me the moral author of the introduction of the wastes into the country.... These wastes were not brought by force into people's yards; they would have called the police. They accepted them and were paid for it. Maybe even in hard currency. And the city administrations are no strangers

to it. These matters do not concern the Ministry of the Environment; they are local matters decided by city halls and prefectures. Moreover, on many occasions, the Securitate has been and is implicated in these matters; in my opinion, it is divided in two parts: SRI [Romanian Intelligence Service] and SRL [Limited Liability Company]. I cannot see how a central authority can control such operations; the ministries do not own any storage areas.

[Micu] I still maintain that it is curious how a country with a specialized minister, created for that purpose, and with four ecologist parties, cannot control this situation.

[Bleahu] The Ministry of the Environment is concerned with problems that are much more serious than these, such as pollution, incursions against the Delta and Retezat. Foreign wastes fell into its lap, and the parties have no way to take concrete action for lack of material resources. For the time being, we are "polluted" only with good intentions, but not with money as well. In this respect, the ecologist movement has brought this on itself.

[Micu] But who is in fact responsible for the wastes?

[Bleahu] For household wastes, the city administrations. For industrial wastes, the ones who produce them, meaning the Ministry of Industry. And here, the problem is most serious.

[Micu] How about the "imported" ones?

[Bleahu] Well, those should not be coming in! Customs must see to it that they do not enter the country. Licenses are issued by MCT [Ministry of Commerce and Tourism]. Customs and the police monitor what enters and leaves the country. Now, the two government decisions regulate all this. Fines will also be increased. The Ministry of Environment only provides environmental approvals.

[Micu] Do you believe there is a "conspiracy" of wastes in Europe?

[Bleahu] The conspiracy is broader; France is its victim, and more recently, Africa. Through the unification of the two Germanys, those in the east were compelled by those in the west to clean up everything by 1 January 1993, hence the "explosion" of wastes. England, which has disposal and recycling installations, is earning about three billion pounds sterling per year from the importation of wastes.

[Micu] And we got blessed with some foreign waste, as if our own was not enough....

[Bleahu] Do you know the cost of a modern incineration plant? At least \$80 million. We received some advantageous offers from companies in the United States, Holland, Italy, and Germany, but on the condition that we import more than half the amount of waste for processing, a condition that was rejected at the investment approval stage.



[Micu] That is why the "Drimer affair" failed....

[Bleahu] Our plants are few and inefficient; they cannot even dispose of 25 percent of our own waste, an amount that is increasing continually and exponentially. I do not even want to discuss this solution any more. The next minister will solve it.

[Micu] Do you think that this has definitely closed any possibility of foreign wastes coming into this country?

[Bleahu] You know that abortion was forbidden in Romania during Ceausescu's regime. Do you think that no abortions took place? When you want to break the law, you will break it in any way you can; this is a matter that involves both the one who breaks it and the one who accepts it. We do not accept it officially, but we must fight against corruption. I feel as guilty about the entry of foreign wastes as the minister of health must feel about the arrival of AIDS in this country. Even though the laws are now very strict, I do not believe we will get away that easily with substantial penalties and fines. That is why we need the support of the population, of the press, why we need to educate the people about ecology. The "pressures" will continue to be very strong.

#### Official Situation of Wastes on Romania's Territory

Five hundred sixty metric tons of so-called lacquers, paints, sealants, putties, and pesticides, imported by two Sibiu commercial companies—Universal Comtur Pine Park SRL and Montana S.A.—from the companies Tyre Recycling Industry (TRI), Tehnogen GmbH, and Nolu Vertrieb of Germany, proved to be not "commercial goods" as they were falsely declared, but unusable and dangerous wastes. About 40 tons of these have already been sold to dealers in the Alba, Brasov, Hunedoara, Mures, and other counties; 513 still "unexploited" tons are on Sibiu county land, in the localities of Sibiu, Saliste, Apoldul de Sus, Dobirca, and Miercurea Sibiului.

An "inventory" expressly requested by the prime minister shows the following: 402 tons of pesticides that are expired (some by more than 10 years) and what is more, banned both in Germany and Romania; in addition, 52 of the identified types are on a "blacklist" that does not authorize their use; 45 tons of lacquers, paints, mineral oils, primers, adhesives, and other chemical substances, all of them expired, containing impurities, and totally unsuitable for any use; 66 tons of unidentified substances, improperly packaged, resulting in the breakage of barrels and cans; 57 double samples were collected from these, one batch to be sent for analysis in Germany because ICECHIM's [expansion unknown] specialized laboratory could not identify them for lack of specific standards and documentation regarding their active substances (in the previous article we expressed surprise that even Central Customs does not have a specialized laboratory!); 87 tons of the Sibiu wastes will be returned to Saxony whence they came; the rest will be concentrated into a single storage area, probably at Miercurea Sibiului (an area of unique beauty!), under strict protection, until

we determine what can be done. But our country does not even have the means to dispose of its own wastes, let alone that of others!

And as a corollary, Romania also found out at the "last minute" that the firm TRI has in fact a poor international reputation as an intermediary between suppliers and companies that claim to dispose of wastes; and that Heinz Helmcke, one of its owners, specialist in these materials, was sentenced in Germany to one year in prison for illegal waste storage.

Through the joint Romanian-Lebanese company Socomex Beirut Barbar Center Jedeidet Lebanon, whose Romanian arm is called S.C. Metalexportimport S.A., Resita Metallurgical Combine S.A. (CSR-SA) imported two types of wastes from the Austrian company Stefan Bachleitner GmbH:

Initially, 130 tons of scrap iron from the wet grinding and polishing of steel and cast iron parts (for experiments); this scrap iron was tested in an agglomeration technology process; subsequently, the contract was concluded and renewed for 1000-6000 annual tons of impure steel filings (even though Resita does not have specialized capabilities and techniques for decontamination and processing); of the 1996 tons that have already been brought to the Combinat without having gone through customs and without having import licenses, 600 tons have already been used in production. It was later determined that both the material's nomenclature and its licensing code do not correspond to reality. The CSA-SA [expansion unknown] identifications and laboratory determinations indicated that the metallurgical content is suitable (55-87 percent ferrous content), and the included toxic substances fall within acceptable limits. Nevertheless, in the end, Combinatul has stopped the importation of new quantities of filings.

Without laboratory analyses, 58.5 tons of imported galvanic sludge were fully introduced in the agglomeration process. This type of waste was subsequently abandoned because it did not receive environmental approval. But as we learned from the newspaper ADEVARUL, six other freight cars loaded with galvanic mud, sent by the Hungarian company Euro-6 Trans-Csorno to the firm S.C. Comat in Miercurea Ciuc, have come back several times to the Episcopia Bihorului customs station even though the contract has been officially canceled, each time coupled to another train, just in case they might fool the Romanian customs agents; which would not have been that difficult, given the shortage of personnel and facilities, and the capabilities and tenacity of the foreign company. In fact, it would not even require a lot of subtlety: all it would take is for the cars with the toxic substances to "sneak" into the country, after which they could not be returned because no one would accept them.

Thirty-five tons of bales of plastic waste out of a total of 50,000 licensed tons managed to be imported by Royal Galleries LTD of Constanta from the German company

RO-AM GmbH and stored in the commune Lumina in 3 TIR's, even though before the importation, the Constanta Agency for Environmental Control and Protection as well as the Ministry of the Environment had communicated to the importing firm that they did not agree with the planned investment, a "plastics granulation plant," and that the environmental approval was consequently unfavorable. Ultimately, the Ministry of the Environment did give its approval on 23 July, but only under condition that the raw material being used would be plastic bottles used for food purposes in Romania. Right now, a ship loaded with plastic waste is blocked on the Danube because Bulgaria does not want to receive it. What will we do with it?

More than 1.3 million used tires have been imported by various dealers for recapping and reuse, but it was found out that most of them were in fact unusable scrap. For instance, the Romcontrol SA agency has determined that of the 18,269 tires imported by the Bucharest company Arbaexim, 70 percent are garbage.

In Rimnicu Vilcea, SC Vilceana SA has 132 barrels that according to their labels contain 13,100 kg of polyurethane and di-isocyanide, brought in by the German firm Otter to manufacture shoe soles. In reality, it was discovered that the labels do not match the product, which in fact comes from the company Bayer through the firm Otter as intermediary, according to a contract written with the Bucharest company CS Arpimex. Since it could not use the barrels in its production, SC Vilceana SA sent them back to the supplier. The latter, claiming that they were damaged, stored under inadequate conditions, and not properly loaded in the freight cars, refused to unload them and returned them to Rimnicu Vilcea, where they still are.

Seven million tons of household waste, to which are added an annual increase of 3 million tons, are lying in open pits without protection, threatening not only the air but the water table as well.

This waste has a very low heat value, about 4,000-5,000 kcal, because it is predominantly vegetal. Efficient burning requires additional fuel; from where? The use of garbage as compost (agricultural fertilizer) is only now being studied in Romania. City administrations thus have the task of assuring that the burning is efficient or to otherwise solve the problem. And everyday we see how they solve it.

This is all that is known for the time being by the government and the interministerial commission that wrote an official report. As to what has come into the country and will continue to arrive in accordance with the unwavering and indisputable principle that appearances can fool you, we are afraid to consider...

#### **What Concrete "Procedures" Are Being Taken? How Was It Possible?**

The principal ways and means by which dealers encourage the entry of these poisons into the country, when they themselves do not initiate this entry, are:

False declarations on import licenses: the request is for an authorization to bring into the country goods of useful value, meaning that they can be used for economic purposes, an authorization which then becomes "proper documentation" for bringing in unusable, and what is worse, toxic wastes;

Some economic aid offers are contingent on the obligation to also import part of the waste;

Legal provisions covering certain substances are not observed, and authorization and agreement is not requested from specially empowered agencies (pesticide case);

Importation documentation—licenses, approvals, certifications—is omitted or requested after the fact;

Importers do not inspect the "goods" at the receiving point itself, and do not report in useful time to the supplier discrepancies between the documents and the products received (the products sometimes bear a customs seal and therefore an OK from the sending country—Germany's case, which claiming lack of attention deliberately opens the way to the exportation of wastes); the deceit can go so far that under the guise of "humanitarian aid," and thus under favorable conditions of transportation with the direct support of our own embassy in Bonn, significant amounts of toxic pesticides have entered the country;

Romanian customs is overloaded due to a lack of personnel and suitable technical resources to competently monitor the traffic; inspection is based on random sampling of an annual traffic of eight million freight cars and six million TIR's;

Importation licenses may be issued locally, with unclear conditions, allowing violations; what is more, verbal understandings have been reported among the owners of the various companies, which escape any controls;

The inventory list of goods in licenses can be specified incompletely;

Territorial inspectors of product and service quality have not fulfilled their functions conscientiously; this is equally true of those in county agencies for environment, health, and agriculture.

In general, domestic controls are almost nonexistent and in any case, operate after the fact; there is no question of preventive actions on the part of the Ministry of the Environment, the police, the Financial Guard, and so on.

#### **Motivations and Justifications**

In accordance with Government Decision No. 264/12 April 1991, the Ministry of the Environment has no function to authorize the transportation of wastes. Then who has, we ask ourselves. The fact is that importation-exportation licenses are issued by MCT's specialized

agencies, which are guilty in equal part for the present situation, for which they have issued "proper documentation."

The new environmental law draft has not yet been approved. Had it existed, it could have regulated a concrete mechanism for authorizing the transportation of wastes across borders.

Romania joined the Basel Convention "regarding control of the transportation of dangerous wastes across borders and their elimination" through Law No. 6 of 25 January 1991, but the regulations of this Convention became operational only on 5 May 1992, in other words after these substances entered the country.

Due to the "complexity and recent date of the regulations," the ministries of Commerce and Tourism, Foreign Affairs, the Environment, National Defense, Industry, Health, as well as Agriculture and Food, are late in finalizing lists of goods expressly subject to inspection rules.

#### Delayed Measures

Inventorying and safeguarding toxic wastes brought into the country at special storage areas; operations are underway to concentrate them in a single, isolated, and protected storage.

Start of penal prosecution of those directly involved in contraband, false declarations and false statements in documents, and failure to respect legal provisions.

Financial-accounting and specialized technical verification of the cases identified so far.

Identification of other cases.

Suspension of the right to conduct any more importation or exportation operations on the part of the two Sibiu firms, except for return to suppliers.

Negotiations with Germany regarding the possibility of reimporting, exchanging information, and continuing judicial investigations in both countries to find the guilty parties.

For the rest, it is a matter of replacing on the table measures that should have been taken from the start: urgently reopening discussions in Parliament about the draft law for environmental protection, and passing the law to modify and complement provisions in the Penal Code and the Penal Procedure Code regarding importation liability and legal traffic of wastes and residues of all kinds.

#### Editor's Conclusions

Without a doubt there is an organized international waste materials mafia, whose definite "victim" currently also appears to be Romania.

It is much better organized and competent than our precarious, permissive, uncoordinated, and easily

avoided legal systems; better than the Ministry of the Environment headed by a minister with two incompatible hobbies—ecology and politics, but not ecologic policy—whose main concern currently is to "wash his hands" of any responsibility, in a totally nonecologic gesture; and better than our powerless control systems.

But since someone must "be responsible," we believe it should be first of all the minister of the environment. Just as we consider that the first responsible party for AIDS in Romania is the minister of health.

Those who rented their land to receive the wastes would have certainly not taken them had they been warned that they were toxic.

Our land shortage and the chronic lack of raw materials induce businesses to seek survival solutions that inevitably lead to the violation of overly lenient laws.

General corruption, greed, the pursuit of gain at all costs, cunning, and at times ignorance—not to say obliviousness, as well as the lack of fair play in business, encourage the emergence of totally uncologic and aggressive management that is harmful to our socioeconomic life as a whole.

The lack of real democratic practices, the absence of ecologic education, the general disinterest well-aimed interests use to their advantage, mean that the elimination of all these incidents is highly unlikely.

As a result, the dirty business of wastes will continue. Until when?

#### Correction to Members of Chamber of Deputies

93P20076A

[Editorial Report] The following corrections to the item headlined "Newly Elected Members of Chamber of Deputies," published in 21 October East Europe JPRS Report, Pages 38-42:

**Page 39**, column one, under Bacau County insert:

28. Nicolae Rosca (FDSN) [Democratic National Salvation Front]...(supplying omitted name)

**Page 40**, column two' under Maramures County,

184. Gheorghe Popa (FDSN)...(supplying omitted name)

**Page 41**, column one, under Prahova County,

223. Mircea Anton Silvas (FDSN)

224. Ilie Nica (FDSN)

225. Petre Turlea (FDSN)

226. Gheorghe Boboc (FDSN)

227. Nicolae Alexandru (FSN) [National Salvation Front]

228. Ion Muresan (PRM) [Romania Mare Party]  
229. Gheorghe Dobre (PUNR) [Romanian National Unity Party]

**Satu Mare County**

230. Gheorghe Todut (CDR-PNL-AT) [Democratic Convention of Romania-National Liberal Party-Young Wing]  
231. Ioan Pop (PUNR)  
232. Atila Varga (UDMR) [Democratic Union of Hungarians In Romania]  
233. Francisc Pecs (UDMR)  
234. Viorel Pop (FDSN)  
235. Gheorghe Salajean (FDSN)

**Salaj County**

236. Iuliu Vida (UDMR)  
237. Miron Chichisan (PUNR)  
238. Vasile Gheorghe Victor Pop (CDR-PNTCD) [Democratic Convention of Romania-National Peasant Christian Democratic Party]  
239. Radu Liviu Bara (FDSN)

**Sibiu County**

240. Gavril Dejeu (CDR-PNTCD)  
241. Raymond Luca (CDR-PNL-AT)  
242. Ioan Bogdan (PUNR)

243. Francisc Toba (FDSN)  
244. Daniel Frunzescu (FDSN)  
245. Bujor Bogdan Teodoriu (FSN)

**Suceava County**

246. Mihai Chiriac (FSN)  
247. Emilian Bratu (CDR-PNTCD)  
248. Vasile Mandroviceanu (CDR-PAC) [Democratic Convention of Romania-Civic Alliance Party]  
249. Viorel Munteanu (FDSN)  
250. Nicolae Lazar (FDSN)  
251. Anatolie Costin (FDSN)  
252. Corneliu Monoranu (FDSN)  
253. Sabin Ghilea (FDSN)  
254. Toader Constantinescu (PRM)  
255. Vasile Potolinca (PUNR)

**Teleorman County**

256. Marian Dumitriu (FDSN)  
257. Floarea Calota-Lupu (FDSN)  
258. Vasile Cristea (FDSN)  
259. Mihail Olteanu (FDSN)  
260. Sorin Pantis (CDR-PNL-AT)  
261. Constantin Berechet (FSN)  
262. Adrian [as published] Videanu (FSN)...(supplying omitted names)

**Disagreements Within VMRO-DPMNE Disclosed***93BA0360A Skopje VECER in Macedonian  
1 Dec 92 p 9*

[Report by B. Gjorgjevski: "Assembly Coordinator and Party Dictator!"]

[Text] *Atanas Aleksovski accuses Tomislav Stefkovski, the VMRO-DPMNE [International Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] coordinator in the Macedonian Assembly, of promoting divisiveness within the party, illegal activities, and making party eavesdropping possible....*

Yesterday Atanas Aleksovski, who until recently represented the VMRO-DPMNE in the City Assembly, openly told newsmen the specific reasons for leaving the VMRO-DPMNE both as a party member and a representative. He named specifically Tomislav Stefkovski, who represents the VMRO-DPMNE in the Macedonian Assembly, as the main "director" of all such games involving the VMRO-DPMNE and the Skopje Assembly.

According to Aleksovski, such activities carried out by Stefkovski have brought disunity within the ranks of the VMRO-DPMNE, which, among others, is one of the most important reasons for the fact that he resigned from the party ranks.

**Stefkovski's Directive**

To Aleksovski the "straw that broke the camel's back" was the latest unsuccessful attempt to hold a meeting of the Skopje City Assembly, which failed for lack of quorum. The main reason was the nonappearance of three VMRO-DPMNE representatives "who took off to go to the meeting but never showed up, for reasons unknown." Yet it had been agreed by the party before the meeting that all of its representatives would attend.

"This absenteeism was the idea of Tomislav Stefkovski, supported by Representative Ilija Belevski (also a member of the VMRO-DPMNE), for which reason representatives Ljuben Lazarevski and Igme Krstevski did not, as a result of such a directive, show up at the meeting. For that reason the meeting could not be held. This was Stefkovski's main objective," Atanas Aleksovski said.

According to Aleksovski, the reasons for this "directive" issued by Stefkovski was the resolutions that had to be submitted to the City Assembly, and it was related to the fact that because of his party connection Milan Talevski, the mayor, did not "dare to resign," whereas Pavle Konstantinov, the Executive Committee chairman, "did." That was the reason for blocking the meeting. It was on that occasion that, according to Aleksovski, Alija Belevski said that "if allowed, Konstantinov with

another five representatives will switch to the VMRO-DP [Internal Macedonian Revolutionary Organization-Democratic Party] headed by Vladimir Golubovski."

**The SKOJ in the VMRO-DPMNE**

This division within VMRO-DPMNE party ranks is not the only sin committed by Tomislav Stefkovski, according to Atanas Aleksovski. It was, according to Aleksovski, precisely Stefkovski who was named as "one of the seven SKOJ [Communist Youth League of Yugoslavia] secretaries in the VMRO-DPMNE," who is the author of all efforts behind the scene, which have been occurring of late in the party.

"On his influence Nikola Jovanovski was illegitimately made the new VMRO-DPMNE Kisela Voda Opstina Committee chairman and new committee member. He is one of the former heads of the Idrizovo KPD [Culture and Education Center]. Furthermore, Tomislav Stefkovski is also behind the affair related to eavesdropping in the VMRO-DPMNE headquarters. The eavesdropping devices were already in place before the premises, which were formerly occupied by the Municipal Council (which included Stefkovski), were assigned to the VMRO-DPMNE. In exchange, Stefkovski gave a job to a member of his family within the MVR [Ministry of Internal Affairs]," according to Aleksovski.

Aleksovski also said that he would like to apologize to the voters of Electoral District 108 for having supported Stefkovski in the electoral campaign. One of the reasons for which Stefkovski supported the building of a water main to the weekend cottages in Dolno Sonje is his own weekend cottage, thus using up the necessary funds to improve the supply of electric power to the Pripor Settlement. "Stefkovski," Aleksovski says, "even failed to attend the citizens' meeting. They waited for him for two hours while 'he was unwilling to interrupt his meal and drinking in the company of his loyal hunting dogs' in Sopiste Village."

Aleksovski also said that a "purge" is taking place within the VMRO-DPMNE opstina committee, in the course of which all the old members-founders have been dismissed from the committee for quite clear purposes, which will soon become obvious.

**Views on VMRO-DPMNE Meeting With Serbs****Serbian Elections Viewed***93BA0371A Skopje PULS in Macedonian  
10 Dec 92 pp 14-15*

[Article by Pance Zafirovski: "Serbia to the South"]

[Text] *Most Serbian parties have reconciled themselves to the fate that Serbia will not have a common border with Greece. That is why, nonetheless, they pledge to defend the 300,000 Serbs who live in Macedonia!*

Political cabaret and satire, farce, moaning, tragicomedy or tragic musical, confusion, and chaos are merely some of the more frequently used attributes describing the atmosphere on the Serbian political scene created with the candidacy of Union Prime Minister Milan Panic for Serbian president. However, no more than some 10 days before the election there is still an unspoken question concerning the final list of presidential candidates, and few are those prepared to swear that there will indeed be elections. The Serbian and international public can only wait for the end of the secret presentation submitted by Slobodan Milosevic in connection with the acceptance or rejection of Panic's candidacy before Milosevic becomes fed up with this legal-political farce and finally chooses the opposition candidates against whom he will openly compete.

All that is happening these days, along with the motivations for this controlled chaos, could, unquestionably, be the subject of broader political analyses and sociological and medical psychoanalyses. The general idea is that it is a question of Milosevic-style political marketing with which, among others, the candidate would demonstrate self-confidence, power, and control over all the institutions, while the enemy becomes belittled and exhausted. Instead of concentrating on the electoral body, the opposition that is supporting Panic has been forced to drain its strength in the legal entanglements with Slobodan's judges, while Panic himself must, as he works his way through the various legalities, prove that he is both Serbian and, at the same time, a patriot.

Meanwhile, the purpose of this kind of aggressive behavior is to conceal a panicky fear of Panic. It is entirely clear to Milosevic that Panic is not only a candidate worthy of respect but also a person who has a real opportunity to become president, particularly if the opposition supports and rallies around him. According to the latest survey conducted by the Partner Agency, at this point 29.9 percent of the electorate would vote for Milosevic, compared to 27.1 percent for Panic; according to VREME, Panic would convincingly prevail with 37 percent against 24 percent of the vote. Although under our circumstances such polls are not reliable barometers, on their basis one could reasonably conclude that Panic, with the secure votes in his favor cast by Vuk Draskovic and some other opposition candidates, has a real opportunity to expect victory in the second electoral round as well.

That is the reason for which Panic must be eliminated as a candidate by all possible means and, should such an operation fail or entail too great a risk, other means should be used, such as to create a politically safe situation that would make the elections meaningless.

It is understandable, therefore, why the electoral campaign is developing in a condition of merciless public quarrels, insinuations, and insults, which is a manifestation of major investments, on the one hand, and the low level of political standards, on the other. Like the previous elections, the main theme is that of the Serbian

national issue. On the part of the progovernment Socialist Party and the Serbian radicals, headed by Vojislav Seselj, we note a race in trying to prove who is the greatest defender of Serbian national interests and the determination of the current results of the "third Serbian uprising," in the so-called Serbian republics of Krajina and Bosnia-Herzegovina.

The Serbian democratic opposition, which is profoundly aware of the fact that the people are still under the influence of the nationalistic myth-creating atmosphere, is reacting on the same wavelength. This means opposition to the military option, a quick end of the war in Bosnia-Herzegovina, and a political dialogue with the rest of the world. However, they do not reject the existing reality. The idea is to achieve the same political objectives but through political means.

Once again, this Serbian system of coordinates does not include any place for parties that constitute the civil bloc, for whose truly modern European democratic program there is no particular understanding or need, at least in the present stage of heated nationalistic emotions. They have been unanimously labeled national traitors, and a particular handicap to their activities is their updated version of the Yugoslav idea.

Relations with Macedonia are not one of the main issues on which the rivaling parties try to rally supporters. Macedonia is most frequently mentioned in a broader context of the otherwise prevalent topic of the situation of the Serbs outside Serbia and in connection with the prospect for the creation of new state units on the area of the former Yugoslavia. The main political parties are repeating their more or less familiar views, and it is difficult to detect any kind of new emphasis.

It may be noted only that Milan Paroski, who is the presidential candidate of the "Serbian Opposition," has tried to place Macedonia in the center of the competition in proving who is the greatest Serbian. Acting as the renovator of the Serbian national program formulated by Milutin Garasanin, Paroski spent last weekend in "Royal Skopje" attending a "historical meeting" with Ljupco Georgievski, the leader of the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity]. Paroski does not conceal his satisfaction with the results of his visit, describing them as a "minor diplomatic miracle" which will contribute to the "better understanding of the Serbian and the Macedonian nations." Actually, it would be a major miracle if Paroski—this Serbian Cato—who, instead of calling for the destruction of Carthage in all his parliamentary speeches, calls for a restoration of the "royal territories" of Macedonia, were to convert himself into an individual who sincerely acknowledges the autonomy and statehood of Macedonia, according to his statements.

It was precisely Paroski who, in an interview granted to the Belgrade BORBA, which described him as a presidential candidate, said among others that "according to

international law Macedonia has been part of Serbia" since 1913, for which reason to this day it has not been recognized, and not "because of its name, according to the communist lies." According to Paroski, "we must respect the referendum according to which Macedonia, as determined by the Macedonians, is a sovereign territory within the framework of Yugoslavia."

Meanwhile, it would be unlikely that such a mission would earn Paroski the expected points. It could be said that that visit was barely noted by that press, which does not mean in the least any lack of interest in Macedonia but simply the fact that Paroski is not a significantly important factor, at least at this point.

The view of the Socialist Party was recently expressed by the Republic's government in answer to a query submitted by Paroski. "Serbia has no territorial claims toward Macedonia and believes that its boundaries are inviolable. However, it will see to it that the Serbs living in it enjoy all the rights based on international agreements." In terms of the recognition of Macedonia, both the Serbian leadership and its highest personalities continue to oppose the intention of the government headed by Prime Minister Milan Panic concerning an urgent reciprocal recognition of Yugoslavia and the Republic of Macedonia, the decision of the European Community notwithstanding.

The Serbian Radical Party headed by Vojislav Seselj, which in the electoral campaign as well as most supportive of establishing the closest possible rapprochement in the views and demands for unification with the socialists headed by Milosevic, seems to have lowered its own appetites. Instead of the previous demands for a restoration of the Serbian-Greek border at Gevgelija, according to Seselj's latest statements, it would be satisfied with establishing a Serbian republic in northern Macedonia, which naturally would become unified with the other Serbian states in the Balkans and beyond the Balkans. Such a "moderate" view was expressed by Seselj and "reiterated by Mirko Jovic," the leader of the Serbian National Renewal, which is considered the most Serbian party, at least when it becomes a question of protecting Serbian national interests in the south. In the view of the SNO [Serbian National Renewal] and some other extreme-right and nationalistic parties, all of Macedonia is part of Serbia, and a good Macedonian can only be one who thinks and acts like a Serb.

The parties which belong to the civil democratic bloc share the characteristic view that the existence of the Republic of Macedonia is a state-legal reality, which, considering the present international constellation, should not be questioned. However, all of them believe that the natural place of Macedonia is within the framework of a new government unit which would include Serbia, Montenegro, Serbian areas, and so on, as a Serbian Republic (the Serbian share of Bosnia-Herzegovina). It is the policy pursued by Slobodan Milosevic that is directly accused of Macedonia's current alienation. Vuk Draskovic, one of the leaders of DEPOS

[Democratic Movement of Serbia], recently said that if the opposition wins not only will there be an end to the war and a lifting of the sanctions, but "we shall also have something like a single state roof ranging from Gevgelija to Knin within which we shall be able to travel and trade."

Both parties consider as their prime national interest the protection of the national rights of Serbs in Macedonia as well as the property and the rights of the Serbian Orthodox Church. It is of interest to note that the members of all parties which recently expressed their views in some of the electoral rostra believe that there are no less and no more than 300,000 Serbian nationals living in Macedonia. This is one of the rare issues on which there is agreement among the divided opposition which has never stated when it conducted its survey.

Finally, the following is noteworthy: the extremely conflicting statements issued by the representatives of the new Social Democratic Party, headed by Cedomir Mirkovic. He stuck to the familiar great-Serbian anti-Macedonian repertory, which is difficult to reconcile with the proclaimed democratic-humanistic orientation of that party which is the favorite of the so-called free media. The explanation, perhaps, is found in the fact that the ideological creator of that party, according to those in the know, is Dobrica Cosic.

#### Paroski Interviewed

93BA0371X Skopje PULS in Macedonian  
10 Dec 92 p 15

[Interview with Milan Paroski, chairman of the National Serbian Council and candidate of the Serbian Opposition for President of the Republic of Serbia, by J.M.; place and date not given: "There Is No Danger From the North"]

[Text] [J.M.] So far you have made frequent statements denying the existence of the Macedonian people and the state of Macedonia. In this context, what is the meaning of your visit to Macedonia, and does this mean once again that you are questioning its sovereignty?

[Paroski] I have not made such statements. In general, we have not mentioned that Macedonia is part of our program; neither have we mentioned our plans, which are entirely clear, the purpose of which is to coordinate the views of the sovereign nations at the meetings of the four Serbian parliaments, the Serbian Republic of Bosnia-Herzegovina, the Republic of Serbian Krajina, Serbia, and Montenegro, with the right to hold a plebiscite to clarify the nature and integrate the Serbian state within a single Serbian state or united Serbian areas. In general, we have not mentioned that Macedonia is included. However, we keep open the possibility that the will of the Macedonian sovereign people, the moment it has been made clear, would be able to become part of an alliance, on the basis of common interests, which would be consistent with those of both countries. So far, whatever has been said and ascribed to the National Party,

the royalist bloc, and the Democratic Party of Serbs, and whatever is happening in Macedonia within this framework, is nothing but speculation.

[J.M.] What is your comment on the scenarios that have increasingly appeared of late in the press on a possible attack on Macedonia coming from the north, i.e., coming from the Union Republic of Yugoslavia?

[Paroski] There is no danger whatsoever of any military intervention on the part of Serbia. Could you believe that the bankrupt Yugoslav Army, which has caused such a surprise to the Serbs, above all, by failing to arm them on time, retreating from entire villages and cities and even areas, that now, such a bankrupt army, which is not even a Serbian army, would be able to attack another area, an area which it has already abandoned? Judging by these facts, it is incredible that something of the kind could occur. It is just as incredible that the moment there is a Serbian armed force it will have the possibility of attacking Macedonia.

[J.M.] To the best of our knowledge, there have been frequent statements in the Yugoslav Parliament favoring attacking Macedonia and even Mr. Seselj has stated that all it would take would be no more than two battalions.

[Paroski] Please remember that it is precisely such remarks that I opposed as being "dirt" and that we cannot pursue a policy and a dialogue with military twists.

[J.M.] The attention of the public has been drawn on the forthcoming Yugoslav elections. What is the situation with attracting the voters, considering the pressure exerted by the current political authorities anxious to remain in power?

[Paroski] The undecided voters and parties account for a great deal, and no great support can be gained from the excited voters precisely because so far they have remained loyal to the government. We now know the errors which were made by these authorities in politics and domestic policies. This undetermined majority has still not leaned toward any given side and I personally hope that it will vote in favor of the Serbian opposition. In that case it is precisely these voters who would provide a guarantee for a serious political alternative to the present regime with a serious economic program and a serious foreign policy which any state should have.

[J.M.] Some doubts have already been expressed and there has been a statement by the Americans concerning the regularity of the elections.

[Paroski] Naturally, there has been a doubt expressed for the simple reason that the electoral practices conducted so far have indicated an effort to manipulate the elections. Specifically, a number of ballots were stolen from our National Party, which was then the third strongest party in Serbia. It is logical to organize a much better control. However, no one can say in advance whether something will happen before it has actually happened.

Doubts should exist, but one should not judge democracy in Serbia prior to the holding of democratic elections.

[J.M.] What is your view of the candidacy of Mr. Panic and of all the events related to the questioning of such candidacy?

[Paroski] Mr. Panic is the second candidate of the Socialist Party of Serbia, first as the prime minister of the government and now as president of the Republic. I am not aware of any single prime minister who has been a candidate for president of the Republic or for governor. It is obvious that some things in this case are illogical. Perhaps the Socialist Party has wanted to gain a certain advantage by submitting Panic as its candidate in order to rally the votes of the opposition. Which means that that party which, two months ago, made him prime minister, is playing some kind of different game. It is clear, however, that this game does not involve the other parties.

#### Party Leaders Meet

93BA0371B Skopje NOVA MAKEDONIJA  
in Macedonian 4 Dec 92 p 4

[Report by A. Damovski: "A Dialogue Is Never Unnecessary"]

[Text] *The views questioning political meetings by and discussions with dissidents, whom they treat as being national traitors, while giving a different interpretation to their own actions, are wrong!*

As announced by the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity], representatives of most Serbian opposition parties whose joint candidate for president is Milan Paroski, chairman of the National Party, who was also head of that delegation, visited Macedonia. This news was truly surprising. The surprise was further augmented by a number of facts.

First was that this was a matter of Serbian party leaders and a representative who has repeatedly stated that, in his view, Macedonia is the same as southern Serbia. We still remember his statements in parliament where, according to him, the resolution of the problems concerning that southern Serbian territory would be achieved simply by sending a single battalion of forces rather than two, as had been suggested immediately before him, by Military Commander Vojislav Seselj. Two days before Paroski's interview published in BORBA, he had said on the subject of Macedonia that "we must respect the international legal status of that southern Serbian territory and respect the results of the referendum held by the Macedonians to the effect that Macedonia is a sovereign territory within the framework of Yugoslavia." According to the guest of the VMRO-DPMNE, that nation had never expressed any other opinion. Several months previously, in the 7D supplement of OSLOBODJENJE, he had said that "95 percent



of all Macedonian citizens are Serbs." As part of his activeness as a representative, Mr. Paroski asked the following: "How is it possible for Macedonian territory to be considered a separate republic territory, when it is known that according to international law and treaties, that territory is southern Serbia? What will the government do to defend the historical rights of Serbs on a territory that connects Serbia to Bulgaria, Greece, and Albania?"

The announcement that the VMRO-DPMNE issued yesterday on that meeting and, on the basis of that same communication, the "accepted preconditions of the party for a meeting between the Macedonian and Serbian opposition and the fact that Serbian Democratic Party, the National Party, the Serbian Royalist Bloc, the Christian-Ecological Party, and the Serbian St. Sava Party acknowledge the existence of the Macedonian state and the Macedonian people as a reality and as a foundation for the past and present cooperation and existence of a Macedonian minority in Serbia and respect its rights" suggests that either these parties have changed their views relative to the legitimate rights of the citizens of Macedonia or else that they are skillfully maneuvering and concealing their true intentions about some kind of new position they may adopt.

All current meetings of the highest Macedonian leadership with politicians from our northern neighbor have been rated by the VMRO-DPMNE as treacherous. The 11 September announcement of the VMRO-DPMNE on the meetings between President Kiro Gligorov and Yugoslav Prime Minister Milan Panic and Serbian President Slobodan Milosevic stipulates that "whereas so far there was a doubt that the meetings between Gligorov and Milosevic, on the one hand, and Gligorov-Panic, on the other, in Ohrid had not raised the question of Macedonia's sovereign position, it has now become clear that in the course of the secret agreements and talks, totally without any legitimacy granted by the citizens of Macedonia and in violation of the Constitution, Mr. Gligorov was trading in the destinies of Macedonia." To that party even the correspondence between President Gligorov and the president of a "nonexistent phantom state," the President of the Union Republic of Yugoslavia, Dobrica Cosic, confirmed "Gligorov's aspiration to establish absolute control and personal power in the Republic of Macedonia."

The PDP [Party for Democratic Prosperity] as well the meeting between Gligorov and Panic was an attempt at "reestablishing an anti-Albanian coalition and a poor assessment made by President Gligorov." This did not include the two meetings between Gligorov and Ibrahim Rugova the Kosovo leader. On the other hand, again in terms of the VMRO-DPMNE, the meetings between President Gligorov and Ibrahim Rugova, chairman of the Kosovo Democratic Alliance, were nothing but one more aspect of the "already familiar and accepted activeness" of our highest state leadership. Should now the VMRO-DPMNE be labeled "treacherous," "pro-Serb," or "pro-Yugoslav" party? Of course not! The reason is that talks are the only alternative to making radical decisions.

Without trying to recall the international activities of the individual parties within the Republic, and based on their own logic, the possible deeper meaning of such meetings and results of such discussions must be rated more highly if it is to the advantage of the state. The already encouraged Macedonian policy of dialogue and, if necessary, even with its worst enemy, is yielding results. Discussions, as an alternative of "talks" viewed through a gun sight, at least as far as that part of the Balkans is concerned where it has been the only method used, have proved to be the only right method in the efforts to resolve the situation in this darkened coffee-shop atmosphere. It proves that any daily political or market-oriented reaction to such meetings, regardless of who held them with whom, may be entirely wrong. The adopted strategy for the preservation of peace and for the peaceful resolution of all misunderstandings is in any case much more suitable for any given party and, naturally, for any country compared to efforts to improve or worsen its ratings.

[Box, p 4]

#### The Serbian Opposition Delegation Departure

On the invitation of the VMRO-DPMNE, yesterday and today a delegation of the Serbian opposition, headed by Milan Paroski, chairman of the National Serbian Council and candidate of the Serbian Opposition for President of the Republic of Serbia, paid an official visit to the Republic of Macedonia.

At the Macedonian-Serbian border, the delegation of the Serbian opposition was met by Ljupco Georgievski, chairman of the VMRO-DPMNE. Immediately after its arrival to the Republic of Macedonia, official talks began between the two delegations.

#### VMRO-DP Protests

93BA0371C Skopje NOVA MAKEDONIJA  
in Macedonian 4 Dec 92 p 4

[Report by P.Dz.: "Name Betrayal"]

[Text] The reason for yesterday's press conference held by the VMRO-DP [Internal Macedonian Revolutionary Organization-Democratic Party] was the announcement that a delegation of right-wing political parties from Serbia will visit the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] in the Republic. According to Vladimir Golubovski, the party's chairman, they have adopted unacceptable political views concerning Macedonia and the Macedonian people.

In the view of the VMRO-DP this visit is considered detrimental to Macedonia for it comprises a delegation of undesirable guests. It was stated that the VMRO-DP has the moral right to judge the situation regarding the actions of the VMRO-DPMNE because of its name.

According to the VMRO-DP there may be two reasons for the visit. The first would involve strategic relations

between Bulgaria and Turkey and between Serbia, Bulgaria, and Greece relative to the threat of the recurrence of some processes concerning the division of Macedonia. The second, which is considered logical by the VMRO-DP, is that the VMRO-DPMNE has been infiltrated by elements of left-wing oriented parties and state institutions, as a result of which the state leadership agrees with the VMRO-DPMNE on the need to establish indirectly contacts with various structures within the Union Republic of Yugoslavia.

The VMRO-DP believes that the VMRO-DPMNE has been infiltrated by pro-Serbian elements and that it may intend, in the immediate future, to implement the second part of the referendum—the right of establishing a union with a Yugoslav republic.

The party believes that the “oasis of peace” is not the result of the policy pursued by the state leadership but of fear of the neighbors, motivated governed by a possible internecine war in Macedonia in which the neighbor may lose. The “war and peace” term is being twisted in order to distract the public from the existence of domestic problems.

#### News Conference

93BA0371D Skopje NOVA MAKEDONIJA  
in Macedonian 5 Dec 92 p 4

[Report by P.Dz.: “Georgievski and Paroski Find a Common Language”]

[Text] *Agreement was reached between the two delegations on most issues although it is known that there were a great deal of arguments in the course of the discussions. Milan Paroski: War in Macedonia is not possible, for it is a question of two nations whose roots are the same. Ljupco Georgievski: The VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] demands that Serbs living in Macedonia enjoy the same rights as those granted the Albanians. Serbs must be mentioned in the Constitution.*

A joint press conference between a delegation of the VMRO-DPMNE and a delegation of the Serbian Opposition (National Party, Serbian Democratic Party, and the Royalist Bloc), headed by Milan Paroski, chairman of the National Party, was held yesterday.

The two-day discussions between the parties, held in Skopje, were described as very fruitful. The newsmen were issued a communique in the Macedonian and Serbian languages, signed, respectively, by the heads of the delegation, Ljupco Georgievski and Milan Paroski, which included more questions than agreements reached between the two.

The communique, which was read in the two languages, stipulates, among others, that identical views were achieved in assessing the current economic-political and security situation in the Republic of Serbia and the Republic of Macedonia. Absolute agreement was reached on the need for the establishment of democratic

systems in Serbia and Macedonia as a basic prerequisite for the prosperity of the two nations and the use of joint pressures for the restoration of peace and putting an end to war throughout the entire area of the former Yugoslavia. Both sides also agreed on the importance of the reciprocal recognition of the statehood and sovereignty of the Serbian and Macedonian peoples, as well as on guaranteeing all national and human rights of the Serbian and Macedonian national minorities, respectively in Macedonia and Serbia.

The same communication also stipulates that the representatives of the Serbian opposition firmly reject the claim made by some circles in Macedonia to the effect that Serbia has any kind of territorial or other claims toward Macedonia and responsibly deny the fact that Serbia has any kind of military scenario concerning Macedonia. In the discussions, it is further said, special consideration was given to the issue of the political and human rights of Albanians in areas that are sovereign parts of Serbia and Macedonia, and concerning the possibility of resolving the Albanian issue in accordance with international conventions and laws. Finally, it is noted that reciprocal interest was shown in the development of economic, cultural, and other relations, as well as in continuing cooperation between the Serbian opposition and the VMRO-DPMNE.

The press was addressed first by the head of the Serbian delegation Milan Paroski, who stressed that in the course of the discussions there were no disagreements, for the work was done in a similar orthodox spirit. He expressed his satisfaction of having visited the churches Sveti Kliment Ohridski and Sveti Spas, and with the discussions which he held with the Association of Serbs and Montenegrins in Macedonia, and expressed the hope that such contacts will be furthered with the help of the VMRO-DPMNE. War in Macedonia is not possible, Paroski said, and no such topic is being considered in Serbia for, as he pointed out, we are dealing here with two people of identical origins.

Ljupco Georgievski, the VMRO-DPMNE leader, also expressed his satisfaction with the discussions which, he said, did not have the purpose of resolving the problems existing between the two countries but of ensuring the rapprochement between the two nations and the two countries. He too believes that there is no reason for the Macedonian and Serbian people to fight each other but that the military psychosis is needed by the two systems in order to distract the population from concern with other problems. According to Georgievski cooperation should continue and he wished Paroski success in the forthcoming presidential elections in Serbia.

Most of the questions asked by the press were answered by Paroski, who stated that the recognition of both Serbia and Macedonia is of reciprocal interest but also that it is inaccurate that he had ever denied the existence of the Macedonian people and the Macedonian state. According to Paroski, he is a member of the Macedonian Church but also that it is not a matter for his party to

recognize the autocephalic nature of the Macedonian Orthodox Church. He said that there are no excesses committed against the Macedonian national minority in Serbia and that he is not familiar with the existence of an association of Macedonians in Serbia and also that, actually, as he said, there is no need for such an organization based on ethnic origin. In his view, the demands of the association of Serbs and Montenegrins in Macedonia on attending school in their native language and for church liturgy conducted by a Serbian priest as well as having radio and television emissions in Serb are logical. Ljupco Georgievski added to this that the VMRO-DPMNE commits itself to ensuring that Serbians in Macedonia enjoy the rights granted to Albanians in Macedonia and that the Constitution of the Republic of Macedonia should have mentioned Serbs in addition to Albanians, Turks, Gypsies, and Wallachians. In that sense, as he said, the VMRO-DPMNE will hold discussions with the Serbian organizations in Macedonia.

Asked how he could be so sure that Serbia has not developed a military scenario against Macedonia, Paroski answered that he is a representative in the Serbian parliament and that his own party, which is very responsible, as he said, and has reliable sources, has reassured his claim.

#### RSM-LP Protests

93BA0371E Skopje NOVA MAKEDONIJA  
in Macedonian 5 Dec 92 p 4

[Unattributed report: "Gross Provocation With Foreseen Consequences"]

[Text] Any party has the right to cooperate and establish contacts with similar parties outside the Republic of Macedonia. However, welcoming a delegation of the so-called Serbian opposition, headed by Milan Paroski, the rejected nationalistic arm of the National Socialists could be considered, to say the least, a gross provocation with enforceable consequences to the political stability of the Macedonian Republic.

Therefore, the Reformist Forces of Macedonia-Liberal Party believe that the "visit" of people who, for the Serbian elections, drafted a platform for the division of Macedonia, which they consider a Serbian state, at this point, on the eve of the Edinburgh Summit, invited by the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity], could have only the following objectives: to prove that Macedonia is not threatened by any military danger whatsoever. This actually supports the Greek view that the state leadership in Macedonia has no grounds to "frighten" the people in Macedonia and thus directly to influence the European Community in its nonrecognition of Macedonia and, being the so-called victorious party in Macedonia, to reach an agreement with those who endanger the legal continuity of the right of the state of Serbia over the territory of the Republic of Macedonia. Actually, this also stems from the agreement

reached between Milosevic and Mitsotakis concerning the resolution of the so-called Macedonian issue.

The activities of Seselj and Paroski in Macedonia prove that the threats that were voiced last year clearly indicate the connections which they maintained with their friends on the other side and which are now becoming public knowledge.

#### ADS-LP Comments

93BA0371F Skopje NOVA MAKEDONIJA  
in Macedonian 5 Dec 92 p 4

[Report by J.M. on the press conference held by the Albanian Democratic Alliance-Liberal Party: "The Recognition of Macedonia Is a Factor of Peace"]

[Text] A request to the European Community, which will meet in Edinburgh, that Macedonia be recognized as a sovereign and independent state, was issued at yesterday's press conference held by the Albanian Democratic Alliance-Liberal Party.

"I consider the confirmation of Macedonia's international existence to be the basic prerequisite for ensuring a broader economic, political, and cultural support of the Republic and its dynamic economic and democratic development," stressed Dzeladin Idrizi, the party's chairman.

He emphasized that international existence is something that belongs to all citizens and cannot be granted to a single ethnic group. The DS-Liberal Party considers the international recognition of Macedonia a factor for the preservation and securing of peace in the Balkans and beyond, and leaving behind us the vestiges and trends that lead to certain claims toward Macedonia, Idrizi stated, adding that "our party will continue systematically to insist on ensuring the equality of languages in the Republic and education in the native tongue on all levels, comprehensive publishing and information activities, and equality in representation in local self-government, retaining the principle of proportionality and participation in all state and opstina authorities and in the development of mechanisms for achieving consensus in the system of rule by committee."

The party believes that the Republic of Macedonia must be recognized under its own name and that any eventual change should be based on a referendum held by its citizens.

In connection with the meeting between the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] with representatives of the Serbian opposition, headed by Milan Paroski, chairman of the National Party of Serbia, Idrizi said the following: "For reasons unknown to us, establishing connections with an open enemy of Macedonia leads us to question the support of the cause of Macedonia by the VMRO-DPMNE."

**Parties, Associations Register in Macedonia**

93P20068A Skopje NOVA MAKEDONIJA  
in Macedonian 20 Dec 92 p 3

[Article by Z. Darkovska: "'Jostling' in the Political Arena: When 10 Citizens Want To Register a Political Party"—abbreviations follow transliterated names of organizations]

[Text] Forty-seven political parties and six associations that are political in nature have registered so far in the republic. The first to register was the Social Democratic Party of Macedonia, and the latest one thus far has been the Djuvan—Party of Turks in Gostivar.

If there were no political announcements for the public, which constitutes the total activity of a large portion of the political parties, the citizens of Macedonia would never know of their existence or their appearance. On the other hand, even that kind of signal of activity has not been produced by every party that has registered.

According to the data that we obtained from the Section for Administrative Control of the Ministry of Internal Affairs, a total of 47 political parties and seven [as published] citizens' associations with political characteristics are now registered in the republic. We should remember that in the first multiparty elections in the republic that took place in November 1990, 18 political parties, one social organization, and 43 independent candidates participated. Of them, the following won seats in the parliament: the VMRO-DPMNE [Internal Macedonian Revolutionary Organization—Democratic Party for Macedonian National Unity], from which some representatives afterwards created new parties—the VMRO-DP [Internal Macedonian Revolutionary Organization—Democratic Party] and the Ilinden—Free Democrats; the SDSM [Social Democratic Alliance of Macedonia] (at the time of the elections it was using the name SKM—PDP [League of Communists of Macedonia—Party for Democratic Transformation]; The Albanian coalition PDP—NDP [Party for Democratic Prosperity—National Democratic Party]; the then Union of Reform Forces of Macedonia in a coalition with the Young Democratic Progressive Party, which is now combined under the appellation Reformist Forces—Liberal Party; the Socialist Party of Macedonia together with the Party for the Complete Emancipation of Romanies in the Republic. The Party of Yugoslavs and some independents also won seats.

The following are political parties in order of registration:

1. **Social Democratic Party of Macedonia** [*Socijal demokratskata partija na Makedonija SDPM*], registered on 25 May 1990, headquarters in Skopje, the chairman was listed as Slavko Milosavljević.

2. **Party of Democratic Prosperity** [*Partijata za demokratski prosperitet PDP*], also registered on 25 May 1990, headquarters in Tetovo, chairman Nevzat Halili.

3. **League for Democracy** [*Ligata za demokratija LD*], registered on 8 June 1990, headquarters in Skopje, chairman Djordji Marjanovic.

4. **Democratic Union—Party of Peasants of Macedonia** [*Demokratski sojuz—Partija na zemjodelcite na Makedonija DS-PZM*], headquarters in Skopje, chairman Dimitar Galev.

5. **Movement for All-Macedonian Action MAAK** [*Dvizjenje za semakedonska akcija DSA MAAK*], headquarters in Skopje, the chairman at the time of registration was Gane Todorovski.

6. **Macedonian National Party** [*Makedonska narodna partija MNP*], headquarters in Skopje, chairman Vladimir Stefanovski.

7. **Social Democratic Alliance of Macedonia** [*Socijal demokratskiot sojuz na Makedonija SDSM*], registered in July 1990, headquarters in Skopje, chairman Branko Crvenkovski.

8. **Party of Yugoslavs in Macedonia** [*Strankata na Jugoslovenite vo Makedonija SJM*], registered in July 1990, headquarters in Skopje, chairman Milan Djurcinov.

9. **National Democratic Party** [*Narodnata demokratska partija NDP*], headquarters in Tetovo, chairman not listed.

10. **Internal Macedonian Revolutionary Organization—Democratic Party for Macedonian National Unity** [*Vnatrešna makedonska revolucionerna organizacija—Demokratska partija za makedonsko nacionalno edinstvo VMRO-DPMNE*], headquarters in Skopje, chairman Ljupco Georgievski.

11. **Party for Democratic Macedonian Labor Unity** [*Partijata za demokratsko makedonsko rabotnicko obedinuvanje DMRO*], headquarters in Prilep, chairman Zlate Stojkoski.

12. **Labor Party** [*Rabotnickata partija RP*], headquarters in Skopje, chairman Krste Jankoski.

13. **Party for the Full Emancipation of Romanies of Macedonia** [*Partijata za celosna emancipacija na Romite od Makedonija PCERM*], headquarters in Skopje, chairman Faik Abdi.

14. **Political Party of the Unemployed in Macedonia** [*Politickata partija na nevrabotenite na Makedonija PPNM*], registered in September 1990, headquarters in Prilep, chairman Radoslav Dimitrievski.

15. **Socialist Party of Macedonia** [*Socijalistickata partija na Makedonija SPM*], registered in September 1990, headquarters in Skopje, chairman Kiro Popovski.

16. **Democratic Christian Party** [*Demohristijanskata partija DHP*], registered in October 1990, headquarters in Ohrid, chairman Vasil Risteski.

17. **Reformist Forces—Liberal Party** [*Reformskite sili—Liberalna partija RS-LP*], headquarters in Skopje, chairman Stojan Andov.
18. **Agrarian Labor Party of Macedonia** [*Rabotnickata zemodelska partija na Makedonija RZPM*], headquarters in Skopje, chairman Boris Stojcevski.
19. **Democratic Party of Educational and Cultural Workers in Macedonia** [*Demokratskata partija na prosvetnite i kulturnite работници na Makedonija DPPKRM*], registered at the end of 1990, headquarters in Skopje, chairman Atanas Kuzevski.
20. **Balkan Federation—Balkans Without Borders** [*Balkanska Federacija—Balkan bez granici BF-BG*], registered at the end of 1990, headquarters in Skopje, chairman Dimitar Daskalov.
21. **Party for Human Rights in Macedonia** [*Partijata za covekovi prava na Makedonija PCPM*], registered at the end of 1990, headquarters in Strumica, chairman Ilija Ilievski.
22. **Internal Macedonian Revolutionary Organization—Democratic Party** [*Vnatresna makedonska revolucionerna organizacija—Demokratska partija VMRO—DP*], registered in 1991, headquarters in Skopje, chairman Vladimir Golubovski.
23. **Liberal Party of Macedonia** [*Liberalna partija na Makedonija LPM*], registered in 1991, headquarters in the village of Oktisi, chairman Asan Canoski.
24. **Party of Progress (Marxists)** [*Partija na napredok (marksisti) PN (m)*], registered in 1991, headquarters in Skopje, chairman Lazar Gorov.
25. **Party of United Macedonians** [*Partija na obedineti Makedonci POM*], registered in 1991, headquarters in Skopje, chairman Vanko Vaskov.
26. **Party for Direct Action** [*Partija za direktna akcija PDA*], registered in 1991, headquarters in Skopje, chairman Milan Sarevski.
27. **Macedonian Party for Peace and Independence** [*Makedonska partija za mir i nezavisnost MPMN*], registered in 1991, headquarters in Kicevo, chairman Goran Arizankovski.
28. **Macedonian Democratic Party** [*Makedonska demokratska partija MDP*], registered in 1991, headquarters in Skopje, chairman Zivko Cvetkovski.
29. **Multinational Peoples' Party of Macedonia** [*Mnogunacionalna narodna partija na Makedonija MNPM*], registered in 1991, headquarters in Prilep, chairman Metodija Bogoevski.
30. **Civic-Liberal Party of Macedonia** [*Gradjansko-liberalna partija na Makedonija GLPM*], registered in 1991, headquarters in Skopje, chairman Boris Geraj.
31. **Greens of Macedonia** [*Zelenite na Makedonija ZM*], registered in 1991, headquarters in Skopje, chairman Jovan Manasievski.
32. **Party for Democratic Action** [*Partija za demokratska akcija PDA*], registered in 1991, headquarters in Tetovo, chairman Kenan Malzlam.
33. **Democratic Movement of Macedonia** [*Demokratskoto dvizenje na Makedonija DDM*], registered in 1992, headquarters in Struga, chairman Napoleon Kamberi.
34. **Democratic Progressive Party of Romanies** [*Demokratskata progresivna partija na Romite DPPR*], registered in 1992, headquarters in Skopje, chairman Betjir Arif.
35. **Democratic Party of Serbs in Macedonia** [*Demokratskata partija na Srbite vo Makedonija DPSM*], registered in 1992, headquarters in Skopje, chairman Boro Ristic.
36. **Party for Democratic Action of Macedonia** [*Strankata na demokratska akcija na Makedonija SDAM*], registered in 1992, headquarters in Skopje, chairman Sabrija Hasanovic.
37. **Democratic Party of Macedonia** [*Demokratskata partija na Makedonija DPM*], registered in 1992, headquarters in Tetovo, chairman Stevan Tomovski.
38. **Democratic Party of Macedonia—Justice** [*Demokratskata partija na Makedonija—Pravda DPMP*], registered in 1992, headquarters in Skopje, chairman Gligor Krstevski.
39. **Albanian Democratic Union—Liberal Party** [*Albanskiot demokratski sojuz—Liberalna partija ADS-LP*], registered in 1992, headquarters in Skopje, chairman Dzamil Idrizi.
40. **Democratic Communist Party** [*Demokratskata komunisticka partija DKP*], registered in 1992, headquarters in Skopje, chairman Todor Pelivanov.
41. **Internal Macedonian Revolutionary Organization—Goce Delcev—Radical Democratic Party** [*Vnatresna makedonska revolucionerna organizacija—Goce Delcev—Radikalna demokratska partija VMRO—GD—RDP*], registered in 1992, headquarters in Stip, chairman Mijalce Santinov.
42. **League of Communists of the Macedonian Movement for Yugoslavia** [*Sojuzot na komunisti na makedonskoto dvizenje za Jugoslavija SKMDJ*], registered in 1992, headquarters in Skopje, chairman Gojko Gruevski.
43. **Republican Party of Macedonia** [*Republikanskata partija na Makedonija RPM*], registered in 1992, headquarters in Skopje, chairman Ivan Petreski.
44. **Labor Party of Macedonia** [*Rabotnickata partija na Makedonija RPM*], registered in 1992, headquarters in Skopje, chairman Momcilo Ivanovski.

45. **Ilinden—Free Democrats** [*Ilinden—Slobodni demokrati I-SD*], registered in 1992, headquarters in Skopje, chairman Naum Riskovski.

46. **Democratic Party of Turks of Macedonia** [*Demokratskata partija na Turcite na Makedonija DPTM*], registered in 1992, headquarters in Skopje, chairman Serac Erdogan.

47. **Djuven—Party of Turks in Macedonia** [*Djuven—Partija na Turcite vo Makedonija Dj-PTM*], registered in 1992, headquarters in Gostivar, chairman Aziz Sen.

The six [as published] memorable associations having political characteristics are:

1. **Forum for Human Rights in Macedonia** [*Forumot za covekovi prava na Makedonija FCPM*], headquarters in Skopje, chairman Tomislav Cokrevski.

2. **Association of Citizens—"Egyptians"** [*Zdruzenieto na gradjani "Egiphtjani"*], headquarters in Ohrid, chairman Nazim Arifi.

3. **Dignity—Association for the Defense of Those Whose Human Rights Are Abused by the Republic of Greece** [*Dostoinstvo—Zdruzenie za zastita na covekovite prava diskriminirani od Republika Grcija D-ZZCPDRG*], headquarters in Skopje, chairman Dimitar Dimitrov.

4. **Macedonian Council for the European Movement** [*Makedonski sovet za evropsko dvizenje MSED*], headquarters in Skopje, chairman Dimitar Mircev.

5. **Young European Federalists of Macedonia** [*Mladi evropski federalisti na Makedonija MEFM*], headquarters in Skopje, chairman Nano Ruzin.

The ever important law on social organizations and citizens' associations provides for the establishment of a party or an association if at least 10 citizens of legal age, permanently residing in Macedonia, submit a request to the authorized body that the party or association be registered, along with the decision and record of the meeting of the establishing assembly and the statute of the party or association. This law provides for the cessation of the organization's activity if the members so decide, if the membership falls below the minimum number of 10 citizens, or if it is established that the organization has stopped functioning. Moreover, the work of a party or organization can be prohibited if its activities are used to destroy the foundations of social order established by the constitution, to imperil the independence of the country, to violate the liberties and rights of the person or the citizen that are guaranteed by the constitution, to threaten peace and international cooperation on the basis of equal rights, to inflame ethnic, racial, or religious hatred and intolerance, to instigate criminal acts, or to violate public morals.

### **Macedonian Airline Affected by Nonrecognition**

93BA0367A Skopje NOVA MAKEDONIJA  
in Macedonian 8 Dec 92 p 4

[Article by B. Janev: "Why Is the First Macedonian Passenger Airplane in Service? The Administration Is Blocking Flights"]

[Text] *Since there is no suitable Macedonian register of pilots, aviation mechanics, and stewardesses, the Netherlands Civil Aviation Administration will not allow the Fokker 100 airplane bearing the named Palair Macedonian to fly. Nonrecognition of Macedonia is an obstacle to membership in the ICAO [International Civil Aviation Organization] and to opening of such a register. Such is the assertion of the ministry concerned. There is an interim solution, but it must be applied for.*

Last month the Palair Macedonian Airline and at the same time Macedonia itself received the first passenger aircraft of their own, a Fokker 100 manufactured in the Netherlands airplane factory of the same name. Rather than being put in service immediately and recovering the large amounts of money invested in it (the plane's base price is \$28 million), the aircraft simply disappeared after a promotional flight and is not in passenger service. The reported reason why the dark, pretty aircraft is not in our skies is that it was grounded in Sofia, where the Bulgarian Balkan Airline allegedly retained it as security for debts owed to it by Palair Macedonian.

But according to Vanja Bitoljanu, chairman of the board of the Palair Macedonian Airline, this report is far from the truth, and the aircraft has now left for a Netherlands airfield near Amsterdam. It really is grounded, chiefly because of the inefficiency and sluggishness of the Macedonian administration. According to Bitoljanu, the simple fact is that the Netherlands civil aviation administration will not license the airplane, which otherwise in the absence of Macedonian registration is registered in that country to fly, the primary reason being that the crew, which is Macedonian, does not have the pertinent licenses. Specifically, the crew of this aircraft, like all the other Palair Macedonian crews, consisting of 14 pilots, nine aviation mechanics, and 50 stewardesses, does not have Macedonian licenses but ones issued by Yugoslavia, in effect a nonexistent country. As standard practice the Netherlands does not recognize such licenses because doing so would contravene the sanctions now in effect against the current Socialist Republic of Yugoslavia. According to Bitoljanu, the Netherlands authorities require that Macedonian crews have Macedonian licenses. Consequently, according to Bitoljanu, his company has urgently requested the Macedonian ministry for both the company's and its problem to be resolved, inasmuch as other Macedonian airlines are making their appearance and training their own crews. Consequently, Palair Macedonian has asked for a Macedonian register be prepared, specifically a card index including the files on all mechanics, pilots, and stewardesses. It was promised that this would be done this week, and the company

was prepared to print the documents and licenses at its own expense. The company submitted models showing how they would look, according to Bitoljanu, adding that there is no reason whatever for such negligence representing the \$250,000 payment installment for this airplane. The aircraft would earn this amount, but of course only if it were to be flying and carrying passengers.

It is stated at the Ministry for Urban Development, Construction, Communications, and the Environment, which the head of Palair Macedonian blames, that this problem is to be ascribed to the nonrecognition of Macedonia, as a consequence of which the country cannot be registered with the ICAO. At the ministry Palair Macedonian was also informed that an attempt will be made this week to resolve the problem by means of an interim solution, by opening such a register and issuing a license for Macedonian air crews. All this will then be submitted to the ICAO, with which a formal application for membership has also been filed. This organization will give some sort of consideration to Macedonian flight crews. At the same time, the ministry states that problems may arise in the future in any flight of planes over countries for which such licenses are not valid. Consequently, the only possible solution is membership in the ICAO.

However satisfactory this explanation appears to be in this particular case, once again we have witnessed an outbreak of the Macedonian national disease, that is, waiting for problems to occur and trying to find solutions for them only when they become costly, rather than taking action to keep the problems from happening. And here it is quite obvious that some sort of solution has nevertheless been found for this problem, which may come up for other airlines tomorrow, even though it is an interim solution, as the ministry terms it.

### **Macedonian, Serbian Orthodox Church Dispute**

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in Macedonian 12 Dec 92 p 4

[Unattributed report: "The Nis Bishop Is the Serbian Administrator for Macedonia"]

[Text] *At an extraordinary meeting in Belgrade, the Holy Assembly of Bishops of the SPC [Serbian Orthodox Church] decided to appoint Nis Bishop Irinej "administrator of the Skopje Archbishopric and the Zletovo-Strumica and Ohrid-Bitola parishes." Archbishop Gavril, the head of the MPC [Macedonian Orthodox Church] said: "They were too hasty."—Statement by Timotej, secretary of the Holy Bishop's Synod of the Macedonian Orthodox Church.*

The latest provocation coming from Belgrade was from the extraordinary meeting of the Holy Assembly of Bishops of the Serbian Orthodox Church, at which the following resolution was passed: "In its concern for believers and its property and rights in the Republic of Macedonia, and with a view to the fact that the Macedonian parish has not, to this day, deemed it necessary to accept the resolutions of

the Holy Assembly of Bishops of the Serbian Orthodox Church on a restoration of the canonical order with delegated autonomy (1959), but stubbornly supports its self-proclaimed and totally unrecognized autocephalic nature (1967), the assembly appoints Nis Bishop Irinej administrator of the Skopje Archbishopric and the Zletovo-Strumica and Ohrid-Bitola parishes.

This news published in the Serbian press yesterday came as a surprise in Macedonia, the more so since it seemed that, following the discussions in Belgrade and Kalista between the delegations of the churches of the Macedonian and Serbian people, the MPC and the SPC, a way would be found for a sensible resolution of the conflicts and the two churches would eventually follow the path of canonical unification and evangelical love. Apparently, however, such was not the case.

Yesterday we asked the head of the Archbishopric of the Macedonian Orthodox Church for a statement.

His Beatitude Archbishop Gavril, who was in Strumica for the celebration of the great Christian holiday of the Holy Fifteen Tiveriopol Martyrs, along with Vardar Bishop Mihail, obviously both of them surprised by this news, told our reporter Aleksandar Maninski, among others, the following:

"What can I say about this resolution other than it is a great stupidity. A bitch in a hurry whelps blind puppies. These people were too hasty. However, we have no reason to be hasty. As soon as possible, the Holy Synod of Bishops of the MPC will discuss the SPC resolution and adopt an official standpoint."

Stupefied by this resolution of the SAS [Holy Assembly of Bishops], Archbishop Timotej said the following to Dimitar Pejcinovski, our reporter from Ohrid: "As secretary of the Holy Assembly of Bishops of the MPC, I state that neither the Assembly nor the Synod of the Serbian Orthodox Church has provided us with any official information, and we consider this news with a great deal of reservation, bearing in mind the possibility of disinformation. However, if it is true that the assembly of the Serbian Orthodox Church has issued such a resolution, then this view is quite strange and conflicting with principled discussions that were held between our delegation and that of the Synod of the Serbian Orthodox Church at the Kalista Monastery on 15 and 16 April, where a final decision was made to continue the discussions on the problems separating us. The resolution of the Assembly of the Serbian Orthodox Church I interpret as rejecting the overall life, development, and in general, existence of the Macedonian Orthodox Church as of 1945 and, particularly, after the proclamation of its autocephalic nature in 1967. In any case, this resolution does not contribute anything good to the two fraternal orthodox nations and leads to an even greater division between them. However, the final decision concerning the resolution of the SPC Assembly will be made by the Holy Archbishopry Synod of the MPC at its meeting."



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